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Japan

Murayama To Raise Trade Issue With Clinton

OW0712000694 Tokyo KYODO in English 2316 GMT 6 Dec 94

[FBIS Transcribed Text] Washington, Dec. 6 KYODO—U.S. Trade Representative Mickey Kantor on Tuesday turned a cold shoulder to a Japanese proposal to create a bilateral mechanism to resolve trade disputes between the two countries.

Kantor said he is ready to listen to any Japanese idea but added he is not sure whether a separate body is needed in addition to the existing trade dispute settlement panel under the General Agreement on Tariffs and Trade (GATT) or the World Trade Organization (WTO).

"I am not sure it's necessary to create a new one," Kantor told reporters.

The proposal was first introduced last week by International Trade and Industry Minister Ryutaro Hashimoto at a meeting of his Liberal Democratic Party, the biggest partner of the ruling Japanese coalition.

A senior official at the Japanese Ministry of International Trade and Industry (MITI) said Japan plans to propose the trade settlement body at a summit meeting between the two countries possibly next month.

The MITI official, speaking on condition of anonymity, said Prime Minister Tomiichi Murayama will spell out the idea when he travels to Washington for a summit meeting with President Bill Clinton.

More on U.S. A-Bomb Stamp Triggering 'Outcry'

OW0712025194 Tokyo KYODO in English 0147 GMT 7 Dec 94

[By Miu Oikawa Dieter]

[FBIS Transcribed Text] Tokyo, Dec. 7 KYODO—A U.S. plan to issue a commemorative postal stamp depicting the U.S. atomic bombings of Japan in 1945 has triggered an outcry in Japan, with the survivors of the bombings reacting with shock and disbelief and the government responding to it with uneasiness.

"Our feelings toward the plan are purely ones of anger," said Koshiro Kondo, vice chief of the Hiroshima Prefectural Confederation of A-Bomb Survivors Organizations, a 30,000-member body.

The stamp proposed by the U.S. Postal Service, one in a 10-stamp set to go on sale next year to mark the 50th anniversary of the allied victory in World War II, features a colored picture of an atomic mushroom cloud. It also carries a caption saying "Atomic bombs hasten war's end, August 1945."

"The bombings were something that should never have happened to human beings, and to use that as a motif for a stamp to commemorate the victory of the war is unbelievable," Kondo said. "It rubs the sentiments of 'hibakusha' completely the wrong way."

Such reactions by the "hibakusha," sufferers of the atomic bombings of Hiroshima and Nagasaki, were shared by Prime Minister Tomiichi Murayama, the mayors of Hiroshima and Nagasaki and other government officials.

Chief Cabinet Secretary Kozo Igarashi pointed out that the bombings took the lives of more than 300,000 Japanese people with many others suffering from radiation-related disease since then, and said "it is natural for Japanese to have some feelings other than that it merely hastened the end of the war."

"We understand that there are various views in the United States on the atomic bombings such as those justifying them as necessary acts to end the war," said a senior Foreign Ministry official. "But we don't want to go into a debate on that. We merely want to tell the U.S. about the Japanese people's special sentiment toward atomic bombs."

The government late last week called on the U.S. to reevaluate its plan, citing the Japanese sentiment, but reflecting the Murayama cabinet's desire to tackle disarmament and nuclear nonproliferation as one of its main diplomatic goals. Foreign Minister Yohei Kono is also scheduled to make further protests to the U.S. side soon.

As part of the government's efforts on the global nuclear issue, Japan recently took the initiative in submitting to the United Nations a proposal on the ultimate abolition of nuclear weapons. But a government-sponsored bill to extend financial aid to families of the victims of the atomic bombings failed to win solid support by the A-bomb victims.

For the Japanese Government, problems involving nuclear weapons have always been a touchy subject.

In June, the previous coalition government was forced to change a written statement it submitted to the International Court of Justice (ICJ) giving its views on the legality of the use of nuclear weapons following a backlash of criticism by the media, anti-war groups and the A-bomb survivors.

Japan initially planned to tell the ICJ the use of nuclear weapons does not violate existing international law when considered from a legalistic point of view. But it eventually avoided specifying its legal position and instead noted that the use of nuclear arms "is not consistent with the spirit of humanitarianism."

Tokyo is currently waiting for a U.S. response on the stamp problem, government officials say, but whether any changes will be made to the plan remains to be seen.

The U.S. Postal Service says the purpose of the stamp series is to provide a comprehensive history of events of World War II and is not making a value judgment on any of those events.

"This is a difficult problem," said a high-ranking Foreign Ministry official. "For Japan, it is best if such a stamp isn't issued at all. But if any changes are made there may be strong protests within the U.S. this time."

The possible impact this latest event could have on relations between Japan and the U.S. also worries Japanese Government officials, especially when a trip to the U.S. by Murayama is being eyed for mid-January.

The officials are concerned over the negative impact it may have on the two countries, which generally enjoy good ties despite various frictions on the trade front.

"I'm sure this problem will be solved by the time the prime minister visits the U.S.," said the official. "What worries me more is that this kind of problem will probably come up many more times next year, since it's the 50th anniversary of the end of the war. The media will also play up such tensions."

The official cited a controversy that arose over plans by the Smithsonian Institution museum in Washington to display the Enola Gay, the plane which dropped the bomb on Hiroshima, as an example of such rows.

Nikkeiren Head Denounces Plan

OW0712084294 Tokyo KYODO in English 0723 GMT 7 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 7 KYODO—A Japanese business leader Wednesday [7 December] denounced a controversial U.S. Postal Service plan to issue a postal stamp depicting an atomic bomb mushroom next year to commemorate the 50th anniversary of the end of World War II.

Takeshi Nagano, president of the Japan Federation of Employers Associations (Nikkeiren), said the plan will not contribute to Japan-U.S. relations.

"I don't quite understand why they would do it. It will not help improve Japan-U.S. relations. I'm against it," he told a news conference.

Nagano said the atomic bombings of Hiroshima and Nagasaki in the closing stages of World War II will be remembered in history without the help of the stamp issue.

The stamp with the caption "Atomic Bombs Hasten War's End" sparked controversy in Japan, prompting the Japanese Government to seek the State Department to reconsider it.

Prime Minister Tomiichi Murayama and Foreign Minister Yohei Kono have warned Japan may take some diplomatic action over the postal service plan.

Some 210,000 people were killed at the time by the atomic bombings of the two western Japan cities Aug. 6 and 9, 1945, according to Japanese records. Many others still suffer from diseases believed caused by exposure to radioactive radiations.

Discord With U.S. Over Lumber Purchase Noted

OW0712134094 Tokyo NIHON KEIZAI SHIMBUN in Japanese 7 Dec 94 Morning Edition p 13

[Unattributed article]

[FBIS Translated Text] The U.S. Government and the American Plywood Association (APA) have proposed that both Japan and the United States supply half-and-half the lumber necessary to build an indoor speed skating hall for the Nagano Winter Olympics. In this connection, Kajima Corporation makes clear that it is studying the possibility of purchasing lumber from the United States to build the hall's floor and benches. The construction firm has already drawn up a design that envisages the use of domestically produced lumber to build the hall's roof; if the design is changed, it would be impossible to finish constructing the hall in time for the games.

The hall will be built of wood and 2,800 cubic meters of Shinshu-produced Japanese larch will be used for the roof. The construction company plans to purchase 100 cubic meters of vertical lumber, including pillars and 28,000 cubic meters of plywood to be used as underlay for the hall's roof. The quantity of American lumber is smaller than that of Japanese lumber for the roof. For this reason, the APA has proposed that both Japan and the United States evenly share the supply of lumber necessary to build the speed skating hall.

The Japan Architectural Center, under the Ministry of Construction, has already approved Kajima Corporation's plan to use Shinshu-produced Japanese larch to build the roof and it is feared that if the plan is changed, it would be unable to complete the hall in time for the games. Kajima Corporation, which has already placed orders for the Japanese lumber, says it will be difficult to use American lumber to build the roof. Kajima is studying the possibility of using American lumber for the floor and benches, but it has yet to decide on the quantity of American lumber it will purchase.

The APA has pointed out that American lumber has been shut out of the construction firm's purchase despite the fact that the prices of American lumber are one half to one-third cheaper than Japanese lumber. In response, Kajima Corporation refuted the APA's assertion by claiming: "Prices of American lumber, if transport and storage costs are added, are almost the same as Japanese lumber." As the reason for using Japanese lumber to build the roof, the construction firm explains: "A variety of curves will be carved on the surface of the hall's roof and we would feel at ease if the lumber for the roof is processed in a place closest to the construction site."

The United States has proposed that both Japan and the United States supply half-and-half of the lumber necessary to build the speed skating hall, but the construction firm says it is technically difficult to accept the offer. Kajima Corporation has studied the possibility of using Japanese lumber to build the outside of the hall and

American lumber for the inside before it started drawing up the designs. However, the construction firm says: "We decided not to use American lumber out of misgivings about the possibility that some of the curves may be stripped off because the American lumber is softer than Japanese lumber."

Kajima Corporation says it has received a large number of estimates from abroad due to misgivings about its ability to purchase Japanese larch in large quantities, but it later found no problem in purchasing it. Commenting on the point that it placed no order after receiving so many estimates from abroad, Kajima Corporation says: "All construction companies receive estimates from abroad and our receipt of the estimates does not mean a commitment to purchasing lumber from them."

Firms To Increase Steel Imports From U.S., Others

OW0612143394 Tokyo NIHON KEIZAI SHIMBUN in Japanese 6 Dec 94 Morning Edition p 25

[FBIS Translated Text] Trading firms are to increase steel sheet imports from the United States, China, and Russia. Although they initially planned to import from Europe, a leading steel production region, "an international agreement between Japanese and European blast furnace operators, which restricts imports and exports of steel products, makes it difficult for them to import from Europe" (according to the Japan Steel Importers' Association [JSIA]). They will place the United States, China, and Russia next to South Korea and Brazil in imports of steel products. The planned increase is likely to influence domestic thin steel sheet prices, which were raised in October.

Trading companies planning to expand imports from the United States, China, and Russia include Taisei-Tsusho (in Osaka city), Wazai (in Ashiya city), and Onoken (in Oita city). They will import 45,000 tons of thin steel sheets from the United States in the January-March period next year; there have been no thin steel sheet imports from the United States in the past 12 months. They are also expected to import 35,000 tons of steel sheets from China every month from November until March. The total volume will be about four times that imported during the same period of the previous year. Each company has promoted business negotiations with blast furnace operators in former Soviet Union republics and East Europe. JSIA Chairman Mamoru Yokoyama said: "Japanese blast furnace operators and their European Union (EU) counterparts signed an 'East Burma Agreement,' which defines market boundaries that places Burma in the middle. Although the prices of imported goods have decreased because of the strong yen, imports of steel products from Europe are virtually nonexistent." This issue was taken up by the U.S. Congress and during negotiations on a multilateral steel trade accord.

According to the JSIA, the United States, China, and the former Soviet Union are not signatories of the East Burma accord. Trading firms believe there is demand in Japan for Chinese and Russian steel sheet because they are more than 20 percent cheaper than domestic products. Japanese blast furnace operators raised thin steel sheet prices in October. However, if imports of steel products increase at a time when steel demand at home continues to be dull, it might be difficult for them to maintain current prices.

Commission on DA Selection of UX Aircraft

OW0712074294 Tokyo TOKYO SHIMBUN in Japanese 6 Dec 94 Morning Edition p 1

[FBIS Translated Text] In connection with the controversy over the selection of the Air Self-Defense Force's next generation multipurpose support aircraft [UX], TOKYO SHIMBUN obtained on 5 December a report compiled by the "Wise Men's Committee," a private advisory group commissioned by the Defense Agency [DA]. In its report, the committee judged the DA's tentative selection of the U.S.-made Gulfstream-IV reasonable. However, it has been pointed out that the DA-compiled documents regarding performance requirements, in itself, "may have been compiled under the presumption that the Gulfstream would be selected." Therefore, it is still uncertain if this report is sufficient to wipe out all suspicions.

The report is expected to be submitted to an informal meeting of the foreign and finance ministers, DA director general, and chief cabinet secretary scheduled for 6 December. There is a strong possibility that at the meeting, the cabinet ministers will put off a final decision because the upper house cabinet committee is currently investigating the matter.

To avoid outside pressure, the DA has avoided publicizing the advisory committee members' names, but the committee's report indicates that the members are Tokyo University Professor Emeritus Akira Azuma, Tokai University Professor Jiro Kouo, and Minkan Kokuki Corporation President Takaaki Yamada.

In the report, the advisory committee assesses as "appropriate" the DA Air Staff Office's procedures in selecting the aircraft, planned utilization of the aircraft, and the criteria and evaluation process. A comparison was also made of the three models under consideration.

In the comprehensive evaluation, the Challenger-601 (Canadian-made) was deemed unsatisfactory for not meeting the requirement of being able to take off on a runway under 2,000 meters long. Both the Gulfstream-IV and the Falcon-900 (French-made) meet this requirement, but the advisory committee asserts that in "comparing the two, the Gulfstream-IV has a sufficient margin regarding take- off capability, cruising range, and climbing power, as well as being more economical." In this way, the committee supports the DA's evaluation that the Gulfstream-IV is the best selection.

Polish President's Official Visit Continues

Visits Emperor Akihito

OW0712050594 Tokyo KYODO in English 0412 GMT 7 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 7 KYODO—Polish President Lech Walesa on Wednesday [7 December] had a 45-minute talk with Emperor Akihito and Empress Michiko at the Imperial Palace following a welcoming ceremony at the Akasaka Guesthouse.

Prime Minister Tomiichi Murayama, Crown Prince Naruhito and his wife Crown Princess Masako were also present at the ceremony.

Walesa arrived in Tokyo on Tuesday evening for a four-day visit for talks with Japanese political and business leaders.

During the meeting with the imperial couple, the 1983 Nobel Peace Prize winner Walesa requested Japan's technical cooperation, Kiyoshi Sumiya, grand master of the ceremonies of the Imperial Household Agency, told reporters.

The imperial couple will host a state dinner for Walesa in the evening.

Walesa is also scheduled to hold talks Prime Minister Murayama later in the day.

High on the agenda during Walesa's talks with Murayama is the resumption of yen-denominated loans to Poland which have been frozen since 1991, Japanese officials said.

The trip is Walesa's second to Japan, following one in 1983 when he led the solidarity movement.

Aviation Treaty, Aid Accord Signed

OW0712101494 Tokyo KYODO in English 0942 GMT 7 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 7 KYODO—Foreign Minister Yohei Kono and Polish Foreign Minister Andrzej Olechowski signed an aviation treaty Wednesday [7 December] to open regular flights between the two countries, Foreign Ministry officials said.

Kono and Olechowski, who is accompanying Polish President Lech Walesa on his four-day visit to Japan that began Tuesday, signed the treaty at the state guesthouse prior to their 30-minute meeting. The Japanese and Polish foreign ministers also exchanged notes on the exemption of visas for Polish and Japanese nationals entering each other's countries with effective diplomatic and public passports, the officials said.

The aviation treaty and the accord on the exemption of visas will help strengthen bilateral ties, the officials said. Poland has urged an aviation treaty with Japan since 1973 and for measures to mutually exclude visas since 1991.

Japan agreed to the Polish requests because exchanges between the two countries are expected to grow following progress in Poland's democratization and its shift to a market-oriented economy, they said.

Kono and Olechowski also exchanged documents on Japanese grant-in-aid of up to 30 million yen to a Polish university, the officials said.

The Japanese aid will be used to purchase audiovisual equipment for Japanese language education.

Murayama on Resuming Loans

OW0712124094 Tokyo KYODO in English 1227 GMT 7 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 7 KYODO—Prime Minister Tomiichi Murayama told Polish President Lech Walesa on Wednesday [7 December] that Japan will consider resuming yen-denominated loans to Poland if it shows further economic progress, Foreign Ministry officials said.

In a 90-minute meeting at the Akasaka Palace State Guesthouse, Murayama told Walesa that Japan cannot yet resume extending public loans until his country begins making debts repayment, the officials said.

Murayama cited three conditions for Japan to consider lifting the freeze—the continued good performance of the Polish economy, good relations with the international monetary fund and steady repayment of external debts, they said.

Finance Minister Masayoshi Takemura, who accompanied Murayama in the talks, told Walesa that Japan has held a policy of not extending any new loan to countries whose debt was not reduced.

The Group of Seven (G-7) economic powers are writing off 50 percent of external debts held by Poland's public sector but international private banks are still negotiating with Poland to settle terms of debt payments. Japan took debt relief measures in February 1992.

Walesa told Murayama that Poland made a difficult decision when the Paris Club carried out the debt reduction in April 1991.

Walesa, the 1983 Nobel Peace Prize winner, said that his country's economy is showing growth and called for increased Japanese investment.

Japan extended to Poland a total of 21 billion yen in January 1990 to pay for imported farm machinery and industrial raw materials but ceased further loans along with other countries.

In 1991, Japan froze extending 500 million dollar loans from the export-import bank of Japan pledged in 1990, trade insurance and yen loans, when Poland's external debt swelled as a result of the liquidation of a spate of state-run enterprises.

Walesa, 51, and his wife Danuta arrived in Japan on Tuesday for a four-day visit. His visit is the second since 1983 as the leader of the Solidarity labor movement.

Earlier in the day Walesa had a 45-minute talk with Emperor Akihito and Empress Michiko at the Imperial Palace following a welcoming ceremony at the Akasaka Guesthouse.

Prime Minister Murayama, Crown Prince Naruhito and his wife Princess Masako were also present at the ceremony.

During the meeting with the imperial couple, Walesa requested Japan's technical cooperation, said Kiyoshi Sumiya, grand master of the ceremonies of the Imperial Household Agency.

The imperial couple hosted a banquet for Walesa in the evening.

Kono on 'Boosting Dialogue'

OW0712125094 Tokyo KYODO in English 1236 GMT 7 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 7 KYODO—Foreign Minister Yohei Kono called Wednesday [7 December] for boosting bilateral dialogue in political and economic spheres between Japan and Poland, Foreign Ministry officials said.

Kono filed the proposal during a short meeting with Polish Foreign Minister Andrzej Olechowski at the Akasaka Palace State Guesthouse.

Kono told Olechowski that relations between Japan and Poland are not only important for the two countries but also for Eastern Europe, the officials said.

Olechowski, who is accompanying President Lech Walesa on his four-day visit to Japan that began Tuesday, expressed Poland's wish to join organizations that protect democracy and human rights.

Turning to situations in Russia, Olechowski said political and economic stability in that country is important for neighboring Poland, the officials said.

Kono cited the longstanding territorial problem between Japan and Russia and said Japan wants to solve the row based on law and justice.

Prior to the meetings, the two foreign ministers signed an aviation treaty to open regular flights between the two countries, and also exchanged notes on the exemption of visas for Polish and Japanese nationals wishing to enter each other's countries with effective diplomatic and public passports.

Poland has been requesting for an aviation treaty with Japan since 1973 and for measures to mutually exclude visas since 1991.

Japan agreed to the Polish requests because exchanges between the two countries are expected to grow further following the progress in Poland's democratization and its shift to a market-oriented economy, the officials said.

Kono and Olechowski also exchanged documents on the Japanese grant-in-aid of up to 30 million yen to a Polish university, the officials said.

The Japanese aid will be used to purchase audiovisual equipment for Japanese language education.

Tokyo Seeking Closer Regional Security Ties

OW0612151094 Tokyo NIHON KEIZAI SHIMBUN in Japanese 5 Dec 94 Evening Edition p 1

[FBIS Translated Text] The government intends to expand security cooperation in the Asian-Pacific region to catch up with new international trends in the post-Cold War period. In tangible measures, the government plans to: 1) Formulate an "action guideline" in bilateral and multilateral security cooperation; and 2) study possibilities for multinational maneuvers for UN peacekeeping operations. Other countries are also showing interest in regional security talks. The United States is calling for seminars for Japanese, U.S., and Russian military officers, and Russia has proposed joint peacekeeping exercises with Japan. As a confidence-building measure, the Defense Agency and the Self-Defense Forces [SDF] also intend to further promote dialogue with the United States, Russia, China, and the ROK.

The conclusion of the Cold War encouraged security talks and defense exchange in the Asia-Pacific region, even though the regional security mechanism is still immature. Last July, participants of the expanded ASEAN ministerial conference held the first meeting of the "ASEAN regional forum." The United States and Russia have recently conducted joint peacekeeping exercises. The Asia-Pacific situation greatly changed after the Cold War.

The Japanese Government has recently dispatched the director of the Defense Agency Defense Policy Bureau to Russia. Moreover, the agency hosted the "Asia-Pacific security seminar" on 1 December. To adequately deal with increasing cooperation requests from neighboring countries, the Defense Agency and the SDF have decided to formulate an "action guideline" for full-scale security cooperation.

A draft guideline plans to classify security partners into four categories, according to their historical closeness to Japan. The first country group will comprise the United States and the ROK, the second China and Russia, followed by the third-tiered ASEAN, and European countries forming the fourth category.

In addition to maintaining the Japan-U.S. Security Treaty, Japan may team up with the United States for closer cooperation in long-distance transportation, information gathering, and joint training for UN peacekeeping operations. In response to a recent proposal by a U.S. deputy under secretary of defense, the government will focus on joint UN operations with the United States as a new objective of the bilateral security framework.

While Russia is also calling for joint peacekeeping exercises with Japan, the government intends to give priority to joint studies with the United States, and then trilateral exercises involving the ROK. As confidence-building measures for the ROK, the government is currently carrying on bilateral talks on prevention of airplane accidents, and such consultative cooperation will be further expanded to other fields. Furthermore, the government is considering joint patrol and rescue operations with Russia to make a bilateral sea-line safety accord more effective, and inviting Chinese Defense Minister Chi Haotian to visit Tokyo next spring.

The Defense Agency thinks Japan's closer security ties with neighboring nations in addition to bilateral cooperation with the United States will contribute to the stability of the Asia-Pacific region.

Ministers Reacts to Yen Rate, Dollar Rebound

Hashimoto on 'Over-Valued' Yen

OW0612020094 Tokyo KYODO in English 0139 GMT 6 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 6 KYODO—The current yen rate against the dollar is still over-valued when compared with Japanese fundamentals, International Trade and Industry Minister Ryutaro Hashimoto said Tuesday [6 December].

"In terms of fundamentals, the yen is still stronger than where it should be," Hashimoto told a news conference.

The dollar rose above 100 yen Monday for the first time in about two months.

The U.S. currency opened Tuesday's Tokyo trading at 100.38 yen compared with Monday's finish of 100.54 yen.

"We need to keep a close tab for the time being," Hashimoto said.

Takemura 'Relieved'

OW0612023694 Tokyo KYODO in English 0229 GMT 6 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 6 KYODO—Finance Minister Masayoshi Takemura said Tuesday [6 December] he is relieved at the yen's retreat to the 100 yen level against the U.S. dollar.

Takemura said at a press conference after a regular cabinet meeting, "Frankly speaking, I'm relieved at movements toward a weaker yen."

Asked about the effects on the economy, Takemura said he thinks the entire business community also feels relieved because of strong concern up to now about the yen's quick gain.

Turning to compilation of the budget, Takemura said the fiscal 1995 budget should not be very austere since the economy has not yet got into a full-scale recovery mode, though it is in a stage of moderate recovery.

At the same time, he said, there is a need for serious discussion on how to close the gap between government expenditures and revenues under severe fiscal conditions.

In this regard, Takemura said politicians should recognize the problem of so-called "invisible debts" built up by postponement of payments year after year to make the books balance for the year concerned.

"Making shift for a long time has left problems and expanded them in many fields," Takemura said.

He said the Finance Ministry should discuss the issue frankly with cabinet members.

The Finance Ministry will present its budget plan for fiscal 1995, which starts next April 1, to the Government Dec. 20 and the government will strive to meet its schedule to endorse it by Dec. 25, Takemura said.

EPA Chief Komura 'Cautious'

OW0612024194 Tokyo KYODO in English 0226 GMT 6 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 6 KYODO—Japan's economic planning chief Tuesday [6 December] remained cautious about currency rate direction while still voicing dissatisfaction despite the dollar's rebound to the 100 yen level for the first time in two months.

"I've been saying that 97 yen to 98 yen has not been reflecting (economic) fundamentals, but that doen't mean that 100 yen is reflecting fundamentals," Masahiko Komura, director general of the Economic Planning Agency, told reporters after a morning cabinet meeting.

The state minister also said he does not know whether the yen's rise has peaked out, staying cautious about the dollar-yen direction ahead, which is the major lingering concern for his agency over the slowly recovering economy.

The EPA chief said his agency will offer a "further slight improvement" in its overall assessment in a monthly economic report for December due out Friday.

But Komura said the government should form an "economy-oriented budget" in fiscal 1995 to continue supporting the economy which is only starting to "gradually recover from a prolonged, deep slump."

Meanwhile, he brushed off criticism over the long time lag between his agency's assessment in October last year that the recession had bottomed out and the start of the recovery this September.

"The bottom represents the darkest time of the night and recovery represents the sunrise," Komura said in justifying the one-year time lag.

In its monthly economic report, the agency described the state of the economy as gradually heading toward recovery for three consecutive months since September.

Komura said the economy is now poised to stage a complete recovery as "the brightness is spreading further with the sunrise visible on the horizon."

Overseas Yen Shortage Said To Boost Yen Value

952A0063A Tokyo NIHON KEIZAI SHIMBUN in Japanese 7 Oct 94 p 29

[Article by Keikichi Honda, Bank of Tokyo: "An Overseas Yen Shortage Causing Yen To Rise; Widen Supply Pipes and the Tokyo Market Hollowing Will Also Be Prevented"]

[FBIS Translated Text] *1) The yen-dollar exchange rate has been politicized and market participants view with resignation that the huge current account surplus generates a stronger yen. However, this view represents only one phase.*

2) A current account surplus is, at the same time, a capital account deficit, and when viewed from this angle a stronger yen is traced to residents' (voluntary) avoidance of dollar assets possession and to nonresidents' failure to raise yen funds smoothly.

3) Widening yen funds' supply pipes and market is identical to internationalizing the yen, and this measure also serves as a deterrent to the progress of a stronger yen, links to impeding the hollowing of the Tokyo market, and is in line with our national interests.

Yen Funds Account for 70 Percent of Trade Surplus Amount

It is wrong to say that Japan's trade surplus is the cause of the strong yen. It is desirable for us to recall that in the past we underwent a period of weaker yen time and again while the accumulation of the surplus continued. Nevertheless, we hear that the actual amount of the surplus has reached so large a level that we can find hardly any parallel in history and that the strong yen cannot be helped as long as such a surplus remains. Yet, in fact, this view is not necessarily logical.

Japan's current balance (merchandises and services) last year recorded a $131.4 billion surplus. However, we can find that about the same amount of an outflow excess (deficit) reaching $131.2 billion was registered in the capital balance interpreted in its broad sense, that is, in the capital balance which includes the long- and short-term capital transactions plus the financial account (foreign currency reserves and bank sector dealings). Such is also the case with the first half of this year. The performance during this period indicates a $68.8 billion surplus on the current account and a $66.8 billion surplus in the capital outflow.

We must firmly understand that an accumulation in the current account surplus means an increase in external assets and that it is represented as an outflow on the capital account, that is, a deficit.

On the basis of this understanding, let us think about whether a capital deficit really encourages a stronger yen. A surplus is an inflow and a deficit is an outflow, and so the balance between the two is likely to provide a clue to the fund's net demand and supply. However, things are not that simple because the net is zero, that is, the demand and the supply are equal here. Therefore, let us first understand who seeks which currency and where. To this end, it is first necessary to look into the substance of the trade surplus, the largest factor in the current account surplus.

Seventy percent of this surplus is in fact that of the yen. Sixty percent of Japan's exports are quoted in foreign money (mainly dollars) and 40 percent in yen. Regarding imports, the ratio is 8:2, and so the balance is 7:3, showing a larger yen amount.

Now, let us think about who seeks which currency in trade dealings. Foreign importers have to raise (either buy or borrow) yen in the market because they have no yen. On the other hand, Japanese exporters have no other way but to dispose of (either sell or lend) dollars in the market or spend them overseas because they cannot use dollars within their country.

When we see these conditions in the light of the yen-dollar demand-supply relations at home and abroad, we will get the following data: in trade dealings last year, net demand for the yen overseas (nonresidents) reached an equivalent of $98.5 billion, and the net supply of foreign money (called dollars hereunder) at home (residents) reached an equivalent of $43 billion. The same trend is seen in the first half of this year. When we estimate amounts received and paid regarding respective items making up the current account surplus, we will see that the ratio between the estimated amounts of the two categories does not differ much from the corresponding ratio between the yen currency and the foreign currency in trade dealings.

If we can understand the amounts of yen and dollar in the phase of corresponding capital dealings, we will be able to understand the yen-dollar demand-supply relations on both domestic and foreign markets through the flow of funds seen from the angles of both the current and financial accounts. Regrettably, data on the international balance of payments have failed to grasp the relations, but it is possible to make an estimation about them.

Although Exchange Banks' Trade Financing Gets Animated

A corresponding relationship exists between the yen-dollar demand-supply relations in the current balance and the demand-supply relations in the capital balance interpreted in its broad sense, and the yen-dollar demand-supply relations on both domestic and foreign markets in current and capital balances are always materialized on the basis of an identical equation, that is, on the basis of the principle that the total of the two balances is zero.

However, this has been possible only through exchanges (buying and selling) of each separate currency. If domestic residents had supplied enough yen funds for capital dealings to foreign lands to meet yen demand for current dealings by nonresidents (overseas), the demand and supply of yen must have mutually been filled both at home and abroad, simply through the process of lending and borrowing the yen without generating its buying and selling transactions. In other words, the net demand for each separate currency could have become zero, jumping over the traditional exchange demand-supply theory. In actuality, however, some demand remained unfilled with regard to each currency, generating respective exchange sales and purchases.

The problem is the motive for the exchange sales and purchases and their independence. Speaking in extremely general terms, the pure overseas demand for the yen (the sale of dollars) is, in a word, inevitable; however, the pure domestic demand for dollars (the purchase of dollars) assumes an aspect in which demand is strongly dependent on the preference of the users of the dollars. The pressure for the purchase of dollars at home is weaker than the pressure for the sale of dollars overseas. In fact, herein lies one of the riddles related to the formation of the yen-dollar market.

At this point, we should not forget that the capital balance, in a broad sense, includes the financial account, and that this financial account contains the increased or decreased foreign currency reserves. Reserves amounting to $26.9 billion were added to the financial account last year, and $15.9 billion to the financial account for the first half of this year.

An increase in foreign currency reserves is an increase in short-term assets abroad, and so we may say that through the increase the recycling of the current account surplus has been fulfilled ex post facto; however, as a matter of fact, the actual increase was the result of the monetary authorities' intervention to purchase and support the dollars, and the recycling of the funds was "unintentional." The funds were extra dollars which the market was unwilling to accept.

In this connection, it is necessary to understand exchange banks' short-term external assets structure (short-term position) and the change of the structure (financial account). Ever since 1991, Japan has carried out the surplus recycling, including the repayment of debts in the exchange banking sector, and it seems to have arrived at a turning point in the beginning of this year.

Newly surfacing is its yen-denomination sector. Ever since Japan's yen-denomination position went into overlending (excess assets) toward the end of 1990, overlending has increased cumulatively and exceeded the dollar-denominated overborrowing in late February this year. As a result, in the total position the exchange banking sector turned into the external overlending situation after the lapse of 21 years.

In other words, an increase in the yen-fund overlending equivalent to $38 billion was registered in the first half of this year. This is caused mainly by the yen-fund outflow through the yen-deposit (loan) repayments. On the other hand, it also indicates animated yen-fund trade financing by exchange banks in response to overseas importers' yen-fund demands.

Investment in Japanese Stocks, Too, Constitutes Pressure for Yen Purchase

However, despite the yen-deposit outflow and the yen-denominated financing, why was there a yen shortage overseas? It was because there was a pure inflow of foreign capital amounting to $47.5 billion in Japan's stock market. The pure supply of yen funds equivalent to $38 billion by exchange banks in the first half of this year was not enough to meet the shortage, constituting a source of pressure for the purchase of the yen.

Active yen-denominated financing for nonresidents by exchange banks leads to easy yen-denominated payments in imports from Japan and lessens the yen-purchase pressure in supply-demand relations.

Trade, in its proper way, should be financed at the lowest interest rate in the world, and this is also the way for Japan to perform its duty as a country carrying excessive savings. However, as long as the yen gets stronger and stronger, the role which the yen may rightfully play in trade financing is feared to be shied away accordingly. One of the keys to solving this dilemma is the yen's internationalization.

It is nothing special to internationalize the yen. It is simply to make it possible to use the currency internationally with a sense of security. The role of the currency is played in every aspect including payment, acceptance, savings, exchanges, and lending and borrowing. The currency must be like an amicable and virtuous person who is as unchangeable as ever in responding to needs in all these areas. It must be all the more so because such a response represents a key to dispelling misgivings about the strong yen.

Things are developing in this direction in general, but we cannot relax our attention. First, we must somehow enliven the use of yen-denominated banker's acceptances (BA)—whose use was realized after a laborious effort—in order for exchange banks' yen-denominated trade financing to further expand. It is hoped that the complicated requirements over the stamp tax and bills will be eliminated without fail.

Second, the market for short-term treasury bills (TB) should be opened wider and further expanded for promoting its use by nonresidents. The yen's maneuvering field, too, should be opened, and the TB is the very floating asset that enjoys the highest credibility.

Third, it is desirable to further internationalize the yen-based long-term bond market. Some time ago, a partial easing of domestic recycling regulations regarding the yen-based Eurobond immediately led to the animation of its market. As for the yen-denominated foreign bond as well, there are still many ways to enliven it, including the criteria by which to judge the propriety of the bond issuance.

Fourth, we should combine yen loans with measures to base Japanese imports on the yen. As in the past, imports from yen-loan receiving countries contain not only manufactured goods but also primary products. Promoting yen-denomination regarding these products amounts to providing yen-loan recipients with yen funds for original capital repayment. It not only results in mutual protection against exchange rate fluctuations, but also links to the stability of the yen's exchange rate.

The yen's internationalization can be promoted in many areas. Revamping various regulations and practices to this end widens the yen-fund supply points and pipes and eliminate the shortage of the yen, thereby contributing to the stability of the yen's exchange rate. At the same time, it will also serve as an effective protective measure against the hollowing of the Tokyo market.

Prolonged FTC Probe of ODA 'Dango' Expected

952A0039A Tokyo ASAHI SHIMBUN in Japanese 5 Oct 94 p 3

[Article by ODA Case Coverage Team of the ASAHI SHIMBUN City Desk: "The ODA Suspicion Appears To Drag on"]

[FBIS Translated Text] One month has passed since the Fair Trade Commission [FTC] began investigating the government's assistance to developing countries (ODA) [official development assistance] which had been subject to constant rumors about impropriety. Some trade companies are alleged to have repeatedly been engaged in dango [mutual consultation and collusion among companies in the bidding] when competitive tenders by specified bidders were conducted for equipment and material procurement in the field of technical cooperation ordered by the Japan International Cooperation Agency (JICA). The FTC is now closely examining documents and daily activities of persons in charge of the related work in these trade companies. Equipment and material procurement in this field amounted to about 5.5 billion yen last fiscal year, according to actual business reports of that year. This amount represents only a small part of Japan's entire ODA, which exceeds 1 trillion yen. The side of trading companies steps up its repugnance, saying that "the game is not worth the cost if we are suspected with such a small job." Expressing its nervousness, the JICA side says that "it is annoying if major trading firms decline to participate" in tenders. With the current exposure as momentum, the FTC would like to get to the heart of the ODA dango, but its examination is likely to take a long time.

Clue Is in Appointment Books

Referring to the Examination Department of the FTC located west of Hibiya Park in Tokyo, the department has about 90 employees who investigate cases in which the Antimonopoly Law is violated, such as dango and cartels. It is divided into 10 teams, each made up of several to about 10 members with a veteran, who assumes the post of division chief, as its head. The ODA dango case, too, is handled by one of these teams. The FTC is analyzing a huge volume of data which it asked 30-odd firms including trading companies to submit during an on-the-spot inspection on 6 September. Shortly, it will also begin questioning those involved in the case.

The FTC takes interest in appointment books kept by those in charge of the ODA. The side of trade firms has expressed its dubious feelings about this interest, questioning, "What are they going to do by taking away even those personal belongings?" However, appointment books can give a precious clue for shedding light on dango.

Generally speaking, social gatherings for the industrial fraternity become the venues of dango in many cases. The existence of such gatherings is inferred from entries in appointment books on working schedules, etc., and inquiries are made into whether meetings were held frequently before bids.

A leading FTC official makes the following remarks: "The amounts of orders received in the field of technical cooperation are certainly small. However, if successful bid prices go up due to the elimination of competition through dango, assistance to developing nations will lose in amount accordingly. We cannot pass over such an act which preys on the ODA."

Favorite Is Grant-Type Assistance

"There was no dango at all. We feel powerless against such massive slander in their reports. We are thinking of washing our hands of technical cooperation now" (a leading member of a major trading company).

A major trading firm declined to participate in the bidding at an explanation meeting on a tender for equipment and material procurement. JICA expresses its concern as follows: "If major companies continue to decline, it becomes impossible to carry out technical cooperation." This is because after- service, such as repairs, checkups, and the exchange of parts, is dependent on the network of major companies.

Touching on equipment and material procurement in the field of technical cooperation, let us cite the case of Mitsui & Co., which received the largest amount of orders last fiscal year. The company procured items worth 481 million yen in five cases the same year. A leading member of a medium-sized firm which received orders amounting to about 100 million yen says: "With this amount of sale, it is impossible to meet even personnel expenses. We are doing this business simply to maintain friendly contacts."

What trading companies are really angling for is grant-type assistance reaching 1 billion yen to 2 billion yen for a single case, and the favorite in this type of assistance is the field of general projects, which amounted to 127.2 billion yen last fiscal year, according to actual business showings. This field is divided into two categories—facility construction and equipment and material supply. Orders for facility construction, which occupies two-thirds of the total amount, are received chiefly by general construction companies.

Rumors of dango flew about frequently. One of them is about a document circulating in the business world. The document provides data concerning the bidding for the construction of an outpatient ward in a Philippine general hospital. Japan's 19 general construction firms participated in the bidding, and Kumagai Gumi Co. received the orders.

According to the document, the predetermined price was 2.17019 billion yen, and it was Kumagai Gumi alone that bid below that price with a slight difference of 1.19 million yen. Kumagai Gumi's public relations department denies the rumored dango, saying "the success was the result of genuine efforts of our enterprise."

However, a leading member of a major trade company which mediates between the country involved and the general construction firms made an implicating remark that "things will become complicated if the FTC inquires into the area of grant-type assistance." It is said that the company is now secretly exchanging information with other firms in order to sound out what moves the FTC will take.

The JICA side emphasizes that "there was no fault in the bidding." To be sure, the nomination of specified bidders itself is carried out randomly through the use of a computer, but the problem occurs after this process. Every Monday, eight or 10 firms selected from among about 40 registered companies are announced, and an explanation meeting is held on Thursday of the same week. Participating faces are thus known previously, and in a further delay the bidding itself is carried out after one week or 10 days. Herein lies room for dango.

At a 16 September session of the upper house Audit Committee, which took up this issue, Hiroshi Hirabayashi, the Foreign Ministry's Economic Cooperation Bureau director, stated that "a direction was given to the JICA to adopt the public competitive bidding in principle."

Conclusion To Be Reached in a Year?

The JICA is now studying the way the bidding should be at a committee installed with director-class personnel as its central members. However, if the public competitive bidding is wholly adopted, it also gives rise to the possibility that orders will be received by a considerable number of small enterprises which have difficulty in providing after-services. The JICA side says: "We are studying in the direction of adopting the public competitive bidding, but it is a question how to maintain a balance between fairness and effectiveness of assistance..." A conclusion is unlikely to be drawn easily.

The FTC investigation, too, is dragging on. The number of persons engaged in the examination work is limited, and the investigation is being carried out rather in a wayward way, and so it appears that the investigation will take nearly a year before a conclusion is reached.

Coalition Panel Agrees To Pay 'Comfort Women'

OW0612132194 Tokyo KYODO in English 1239 GMT 6 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 6 KYODO—A panel of members of the three ruling coalition parties agreed Tuesday [6 December] to urge the government to shoulder part of a planned private fund aimed at paying redress to women forced into prostitution for Japanese soldiers in World War II, party officials said.

The agreement was reached at a meeting of a panel of the Liberal Democratic Party, Social Democratic Party and New Party Sakigake set up to study the issue of the so-called "comfort women."

It proposes the establishment of a private-sector fund to pay consolatory money to such women, and calls for the government to pay "as much as possible" toward the fund, in effect urging the government to pay individual restitution to the women.

Chief Cabinet Secretary Kozo Igarashi, however, reiterated later in the day a government policy of not paying direct compensation, and said the government can shoulder only the preparatory costs of the fund and the implementation of a 100 billion yen program to atone for Japan's wartime crimes as a whole.

The planned program, which would cost 100 billion yen over the next 10 years, is aimed at promoting peace and friendly ties between Japan and other Asian nations to express remorse for Japan's wartime actions, but would avoid individually compensating victims of the country's atrocities.

In refusing to pay direct, individual redress, the government argues that the issue of war compensation and reparation was settled long ago through bilateral treaties.

Private observers believe that the government fears any moves toward such individual compensation would unleash an endless stream of demands.

The private fund agreed among the ruling coalition parties is targeted only at wartime sex slaves.

The fund is likely to be as big as 10 billion yen, with perhaps 2 million yen going to each victim, the same amount the government pays to relatives of Taiwanese who died in the war after being conscripted into the former Japanese Army, political sources said.

Cabinet Ministers Disagree Over FY 1995 Budget

OW0712084894 Tokyo NIHON KEIZAI SHIMBUN in Japanese 6 Dec 94 Evening Edition p 2

[FBIS Translated Text] During a 6 December informal cabinet meeting and subsequent news conferences, some cabinet ministers asserted that more consideration should be given to the current economic situation in compiling the FY 1995 budget. Finance Minister Masayoshi Takemura placed a check on pressure to increase government expenditures, saying: "Because of the tight fiscal situation, we would like all of you to think about how to fill the gap between revenues and expenditures." In reaction, Transport Minister Shizuka Kamei questioned: "When thinking about boosting the economy, I wonder if it would be right to shrink the budget." Another minister suggested holding negotiations over the budget between the finance minister and other cabinet ministers at the Prime Minister's Official Residence. Thus, a big gap apparently exists among ministers regarding their views on budget compilation.

At the informal cabinet meeting, Takemura stressed: "We plan to submit the Finance Ministry's draft budget on 20 December and finalize the government's draft on 25 December. It is desired that consideration be given to not only expenditures but also revenues." In response, not only Kamei, but also Economic Planning Agency Director General Masahiko Komura said in a later news conference: "Although bright signs have been noted, we cannot just forget about giving consideration to further boosting the economy altogether."

Regarding ministerial negotiations over budget allocations, Takemura said: "Since work must be done within a limited time, we would like to do it the way it has been done traditionally." In reaction, Home Affairs Minister Hiromu Nonaka argued: "More efforts should be made to emphasize the character of the administration of Prime Minister Tomiichi Murayama. For example, ministerial negotiations should be held at the Prime Minister's Official Residence." Management and Coordination Agency Director General Tsuruo Yamaguchi stressed that a review be made of the current process of holding ministerial negotiations to revive budget requests rejected during initial negotiations, saying: "Traditional procedures should be abolished." The process has often been under fire as being a mere formality.

In a news conference following the informal cabinet meeting, Takemura stressed: "We cannot shrink the budget because due attention must be given to helping boost the economy. However, there is an easygoing way of thinking among politicians that there is nothing to worry about concerning the problem of revenues since the Finance Ministry will take care of that." Asked whether deficit-covering bonds would have to be issued to cover "invisible debts," Takemura merely said: "(Invisible debts) cannot be eliminated right away, but we should try to wipe out politicians' easygoing way of thinking."

Finance Ministry Plans Extra Budget for Farmers

OW0712110694 Tokyo KYODO in English 1029 GMT 7 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 7 KYODO—The Finance Ministry plans to earmark 300 billion yen under an extra budget for the current fiscal year to protect farmers from expected competition from imports under the new global trade pact, ministry officials said Wednesday [7 December].

The money will be set aside in advance outlays of part of a 6.01 trillion yen package of agricultural measures starting in the next fiscal year to help farmers cope with the opening of Japan's agricultural markets under the Uruguay Round trade agreement, they said.

The supplementary budget for fiscal 1994 will also include an additional 500 billion yen to the budget set aside for natural disasters, they said.

Both measures will be financed by the issuance of so-called construction government bonds, or bonds whose proceeds cannot be used for revenue shortages, the officials said.

The global trade agreement is slated to take effect Jan. 1, requiring Japan to open its markets for rice and other agricultural products.

Under the fiscal 1994 supplementary budget, estimated revenues will be cut by 2.4 trillion yen from the 53.67 trillion yen envisaged under the initial fiscal 1994 budget.

The officials said the shortfall will be offset by a cut of more than 700 billion yen in tax grants to local governments as allowed under the budget law in line with the shortfall and efforts to save administrative costs.

The ministry plans to present the extra budget to the cabinet on Dec. 20 together with its draft budget for fiscal 1995, they said.

Panel Calls for Economic Structural Reform

OW0712120394 Tokyo KYODO in English 1133 GMT 7 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 7 KYODO—A ruling coalition panel has formulated a proposal for structural reform of the domestic economy with emphasis on eliminating the price gap between domestic and imported products, officials said Wednesday [7 December].

The officials said the proposal, worked out by a project team on economic reforms, also calls for job security by stabilizing the labor market and fostering new businesses.

The proposal will be endorsed at a policy coordination conference by the three ruling parties next week.

It will be reflected in a new year policy guideline by Prime Minister Tomiichi Murayama and a new government economic plan to be worked out early next year, they said.

The paper expressed concern about the "hollowing out" of the domestic industry resulting from expansion overseas by Japanese manufacturers to overcome the yen's appreciation.

It warned that Japanese industry will face intensifying competition from other Asian countries where industrialization is progressing at a swift pace.

The document called for carrying out structural reform of the domestic economy to bring down prices and improve the quality of life, the officials said.

In this context, the paper urged government ministries and agencies to review existing regulations and trading practices and strengthen the implementation of the Anti-monopoly Law, they said.

In connection with the development of new business areas, the panel proposed appreciations from the 630 trillion yen planned for investment in public works projects over the next 10 years, the officials said.

The establishment of a dynamic labor market is vital to ensure job security, the panel said.

Approval Rate for Murayama Cabinet Down 5%

OW0712011894 Tokyo KYODO in English 0059 GMT 7 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 7 KYODO—The public approval rate for the cabinet of Prime Minister Tomiichi Murayama fell to 29 percent, down 5 percentage points from the previous survey in September, a national daily opinion poll showed Wednesday [7 December].

The MAINICHI SHIMBUN newspaper attributed the deteriorating support to the new tax reform package which will raise the consumption tax to 5 percent from the current 3 percent from April 1, 1997.

Those who oppose the tax reform package increased by 14 percentage points to 29 percent, the MAINICHI reported.

The public disapproval rate for the Murayama cabinet was 25 percent, an inrease of only one percentage point from the previous survey.

Those who said they have no interest in the current cabinet jumped to 42 percent, an increase of 4 percentage points from the previous poll, the MAINICHI added.

The MAINICHI conducted a nationwide survey of 4,000 eligible voters from last Friday to Sunday. The response rate was 72 percent.

On policy issues which should take top priority, 43 percent cited economic stimulus measures and 35 percent said consumer prices, the national daily said.

Among those who support the Liberal Democratic Party (LDP), a key coalition partner, approval rate of the cabinet led by Social Democratic Party head Tomiichi Murayama decreased by 3 percentage points to 39 percent, the MAINICHI added.

Kaifu, Hata, Yonezawa Run for Shinshinto Leadership

OW0712114594 Tokyo KYODO in English 1111 GMT 7 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 7 KYODO—Three key politicians on Wednesday [7 December] filed their candidacy for the post of first leader of a soon-to-be-formed opposition party that will rival the tripartite coalition government.

Those vying in the race for the top post of Shinshinto (New Frontier Party) are former Prime Minister Tsutomu Hata, 59, former Prime Minister Toshiki Kaifu, 63, and Takashi Yonezawa, 54, chairman of the Democratic Socialist Party (DSP).

Another powerful post, that of secretary general, fell into the hands of Ichiro Ozawa, 52, the main architect and strategist of the new party that is set to be inaugurated Saturday, as he turned out to be the only candidate.

All legislators joining Shinshinto will vote for the party head Thursday evening at the general assembly of the new party preparatory conference.

It is widely expected that Kaifu will win the election because of his broad-based popularity among politicians of the main opposition parties that are joining together into a single bloc.

Kaifu ran for the premiership in June with almost all lawmakers forming the grand opposition party, though he surrendered to Tomiichi Murayama of the Social Democratic Party (SDP).

However, Hata also has a reasonable chance of being elected leader of Shinshinto because a large number of junior opposition legislators favor him for the post.

The third candidate, Yonezawa, also jumped into the race Wednesday in response to calls from within his DSP for him to play a prominent role in the unified opposition force.

But the possibility of his being chosen as Shinshinto chief is slim given that his power base is fundamentally limited to the DSP.

The registration of the three candidates for the top post came shortly before the 5 p.m. deadline, reflecting a schism within the opposition bloc over the selection of the first Shinshinto leader.

Initially, the combination of Kaifu and Ozawa as party chief and secretary general was considered most likely to win approval through talks, not by a vote.

To trounce the three-party coalition and grab the reins of government in the next general election, Ozawa's electioneering capability, including collection of campaign funds, tempted many to support his assuming the No. 2 post.

They also expressed support for Kaifu as party leader primarily because Hata is currently head of Shinseito (Japan Renewal Party). They harbored concerns about Shinseito's monopoly of posts stemming from Hata's possible acquisition of the top post along with Ozawa's assumption of the post of secretary general.

But those opposed to the nomination of Ozawa as secretary general successfully persuaded Hata to run in the election, which they thought might lead Ozawa to give up the powerful position within the planned party.

Speculation was rife that Ozawa may not run for the post of secretary general if Hata, his long-time ally, is fielded by anti-Ozawa forces led by former Transport Minister Keiwa Okuda of Shinseito.

Regardless of who will head Shinshinto, [words indistinct] dispute exposed in the process of selecting its leadership may continue to haunt the fresh party's unity even after its formal inauguration, political sources said.

Ozawa Heads Opposition's Fight Against Coalition

OW0712120094 Tokyo KYODO in English 1141 GMT 7 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 7 KYODO—With his well-acknowledged prowess in political maneuvering and his unequivocal political posture, Ichiro Ozawa is widely viewed as the commander in chief of the opposition's challenge to the ruling coalition.

Ozawa was instrumental in establishing the coalition between his party Shinseito, a splinter group of the Liberal Democratic Party (LDP), and other noncommunist opposition parties which toppled the LDP from nearly four decades in power last year.

His status within the current opposition camp, which is set to develop into Shinshinto (New Frontier Party) on Saturday, was clearly underscored by the fact that his candidacy for the post of party secretary general was unchallenged even though the party head has not been chosen.

Ozawa's "forceful arm" is believed to be an indispensable weapon for the new opposition party's battle to knock the ruling coalition of the LDP, the Social Democratic Party (SDP) and New Party Sakigake from power.

Ozawa, 52, has long been a staunch advocate of political realignment to overhaul the Japanese political system, which has been smeared over many years by a series of scandals.

The House of Representatives legislator from Iwate Prefecture was a protege of the late former Prime Minister Kakuei Tanaka, who tumbled from power amid a scandal.

Ozawa sharpened his skills in political wheeling and dealing during his apprenticeship under former Deputy Prime Minister Shin Kanemaru and former Prime Minister Noboru Takeshita, who broke ranks with Tanaka to create his own faction.

Ozawa, however, later earned Takeshita's enmity because of the power struggle that developed from the widening difference in political strategy between the two.

Unlike Takeshita, who is more inclined to cautious consensus building, Ozawa has often vocally expressed his "visions" for the future Japan, such as the proposal for Japan's participation in the UN actions including military activities.

His clearly worded political proposals have helped him win the hearts and minds of some young lawmakers and bureaucrats.

Ozawa, however, has often come under fire for his tendency to indulge in backstage maneuverings and forceful action, which belie the bashful nature his friends say he has.

"A hundred tactics never produce a better outcome than one sincere heart" is his pet phrase.

Survey Shows 'Hollowing Out' Among Firms

OW0712083694 Tokyo KYODO in English 0751 GMT 7 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 7 KYODO—Nearly half the Japanese companies planning to operate overseas which responded to a survey will cut domestic production, a survey released by the Ministry of International Trade and Industry (MITI) on Wednesday [7 December] said.

MITI's Kanto regional bureau conducted the poll on the so-called "hollowing out" among Japanese companies in

September this year, covering 663 companies in the Kanto area which have already begun overseas operations or plan to do so in the future. Of the polled companies, 170 or 25.6 percent gave a valid answer.

Among responding companies planning to launch overseas business in the future, 45 percent said they plan to cut their domestic labor force in the future, the survey said.

The survey also said 88 percent of responding companies will cut business deals with subcontractors.

Of responding companies which have already begun business operations abroad, 17 percent carried out labor cuts while 29 percent reduced domestic production, the survey said.

It said 52 percent reduced deals with subcontractors.

The survey was conducted at a time when many Japanese corporations are shifting their production bases to other Asian countries to minimize the negative effects of the strong yen.

Think Tank Forecasts 1.8% Growth for FY95

OW0712114294 Tokyo KYODO in English 1115 GMT 7 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 7 KYODO—Japan's economy will grow at an inflation-adjusted pace of 1.8 percent in fiscal 1995 after expanding 1.1 percent in fiscal 1994, a private think tank forecast Wednesday [7 December].

The Nikko Research Center based the projection on a recovery in consumer spending amid falling prices, an end to corporate moves to slash inventories and steady exports thanks to booming Asian economies and an economic recovery in Europe.

The think tank is an affiliate of Nikko Securities Co.

As factors behind the projected slow pace of economic growth, the think tank cited worries about the yen's appreciation, excess manufacturing capacity and a decline in Japan's productivity.

Signs of Capital Spending Recovery in GDP Cited

OW0212120894 Tokyo KYODO in English 0915 GMT 2 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 2 KYODO—Economists at private research institutions say the figures for real gross domestic product (GDP) for the July-September quarter confirm the recovery of private-sector investment in plant and equipment but they agree that the recovery pace will likely be slow.

"Private capital spending seems to have stopped dropping and is likely to grow at a slow pace," said Tatsushi Shikano, economist in the economic research division at Yamaichi REsearch Institute of Securities and Economics.

According to GDP data released by the Economic Planning Agency on Friday [2 December], private capital spending in the July-September quarter increased 0.5 percent from the preceding quarter, marking the first quarter-on-quarter growth in three years.

Natsuhiko Maeda, senior economist of the economic research division at Fuji Research Institute, agreed that private capital spending will likely recover but said he doubts if the growth rate will exceed 0.5 percent.

"Such industries as real estate are still in the stock adjustment phase. Moreover, the expansion of imports and relocation of manufacturing plants to foreign nations will have adverse effects on domestic investment in plant and equipment," he said.

There have been some shortages in facilities and equipment in such industries as semiconductors, mobile communication equipment and auto parts, but excess capacity remains in other fields like household electric appliances, steel and industrial machinery, said Nobuyuki Saji, senior economist of Nikko Research Center.

The economists shared the view that if capital spending does recover, the pace will be lower than in previous economic recovery phases. In the past, capital spending tended to post an 8-9 percent yearly growth in the recovery period.

In addition to signs of capital spending recovery, economists cited brisk growth in personal consumption as a feature of GDP data for the quarter. Personal consumption grew 1.1 percent from the first quarter.

But the economists said that the growth in personal consumption was supported by temporary factors such as the unusually hot summer and income tax cut. As the effects of these factors is bound to disappear, the economists remain prudent on the future of the economy.

For the October-December quarter, Nikko Research's Saji predicted that GDP is likely to show zero growth over the previous quarter. However, he said that Japan's GDP will show an annual growth of 0.8 percent for fiscal 1994 as a whole, ending March 31.

Though there will be a reaction to the temporary factors of the July-September period, the economy can be expected to continue its modest recovery in the October-December quarter, said Hidehiko Fujii, senior economist of the economics department at Japan Research Institute.

Fujii put GDP growth for the whole of fiscal 1994 at 1.1 percent. Fuji research's Maeda also said the economy is likely to experience a stable recovery with fiscal 1994 growth likely to post a 1.0 percent rise. Their GDP growth projections are far below the government's projection of 2.4 percent.

But Kiyoshi Yoshimoto, senior economist of Sakura Institute of Research, is more pessimistic. Though he predicted GDP for the entire year will probably post a 1.0 percent growth, the economic recovery could break down as he doubts whether such factors as personal consumption will be able to support the economy until capital spending undergoes full-scale recovery.

EPA Chief on Budget-Oriented Economic Forecast

OW0212034094 Tokyo KYODO in English 0259 GMT 2 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 2 KYODO--Japan's economic planning chief launched a preemptive containment attack Friday [2 December] aimed at the finance ministry by rejecting any policy commitments in preparing an economic forecast for the next fiscal year.

"I told other ministers that the natural approach will be taken...without deciding on policy stances beforehand," Masahiko Komura, director general of the Economic Planning Agency (EPA), said at a press conference after a morning cabinet meeting.

The agency issues an economic forecast in mid-December every year before the government compiles its budget package.

It is often criticized for succumbing to strong pressure from other ministries and agencies led by the Finance Ministry and setting a relatively high growth target to allow high tax revenue estimates for funding budget policy measures.

"I will not allow such practices," Komura said in clarifying his stance before the EPA starts preparing its economic forecast for the first time under his leadership.

Komura, however, rejected recent private-sector reports forecasting a weak real growth of below 3 percent in fiscal 1995, and stressed that the agency will take a "natural approach without any preconceptions."

Former agency chiefs Manae Kubota and Yoshiro Terazawa have also publicly criticized the budget-oriented economic forecast, but admitted to helplessness against succumbing to pressure from other ministries and agencies.

Year-End Bonuses Raised for First Time in 2 Years

OW0712101194 Tokyo KYODO in English 1001 GMT 7 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 7 KYODO—Year-end bonuses stood at an average of 773,315 yen, up 528 yen, or 0.07 percent, from a year earlier, the Japan Federation of Employers' Associations (Nikkeiren) said Wednesday [7 December].

It was the first increase in two years, the association said.

The increase was seen in the newspaper, telecommunications and home electronics, and heavy electric industries.

Nikkeiren attributed the increase to a recovery in the economy and the improvement of corporate business results backed by an income tax cut and the unusually hot summer.

The Nikkeiren survey covered 323 major companies in 24 fields. At about 95 percent of the companies, management and labor reached agreement on year-end bonuses.

Year-end bonuses in the newspaper industry increased 4.64 percent, those in the telecommunications and home electronics sector rose 3.84 percent, those in the heavy electric industry was up 2.40 percent, those in the private railway sector up 2.36 percent and those in the electric power sector up 1.17 percent.

In contrast, those in the steel industry dropped 10.61 percent, those in the nonferrous metal and metal sector declined 5.35 percent, those in the cement industry fell 3.19 percent, those in the machine metal sector was down 3.03 percent and those in the automobile industry was down 2.30 percent.

'Managed' Stock Prices Criticized

952A0040A Tokyo NIHON KEIZAI in Japanese 5 Oct 94 p 29

[Article by Rinichi Kozaki, Sophia University lecturer: "Managed Stock Prices Sap Vitality of Market"]

[FBIS Translated Text] *1. Since the end of the World War II, there has never been a period in which stock prices did not move like the present. Even though the economy has begun to recover, stock prices have lost their function as a leading indicator.*

2. It is impossible to explain without basis their fluctuation up and down around the 20,000 yen level. There is no doubt that "managed prices," such as purchasing support with public funds, is taking away the liveliness of the market.

3. At this rate, the market will die. Artificial stock price manipulation has an adverse effect on the issue market and needs immediate revision.

Stock Prices Fluctuations Gradually Become Smaller

There has never been a time when the stock market was as boring as it is now. Prices of stocks, which are principal products, are not moving and when that happens, they are nothing more than a financial product that will not yield even 1 percent interest. Securities companies, whose main source of income is consignment fees, are all being forced into downward profit revisions.

Stock prices were sensitive indicators that forecast the future direction of economic conditions. Even if there were occasional overvaluation or undervaluation, they still contained a "human type of appeal." Although stability sounds good, when there is no movement at all like this—either up or down—one wants to ask "is it alive?"

There would be no problem if the Japanese economy was tranquil and stock prices were not moving as a reflection of that, but according to the situation as it is being communicated, that is not the case. Although there is talk about the "great three year low," it appears that economic conditions are in an upturn. The Economic Planning Agency and the Bank of Japan both have announced bottoming out (the Bank of Japan was unusually quick) and because of the effects of restructuring, estimates of all the various research institutes indicate that an increase in profits on the 10 percent level for the manufacturing industry in the March term of next year.

After the war, from the final phase of the recession until the start of the economic boom, stock prices rose sharply. This is only natural. Since the stock prices hit the bottom, they could no longer decline. And, since they have just begun to move, no one knows how much they would to up. We are being provided with an unlimited zero risk investment opportunity. Nevertheless, the fluctuations of stock prices only get smaller.

Is it acceptable for stock prices not to be an indicator of future economic conditions? Oddly, this condition of paralysis of the stock market is apathetically accepted.

From the standpoint of the figures, some would probably say that "there is a good bit of movement." I took data on the rate of change over a 20 year period, and divided the high value within the year of the Nikkei 225 average stock price by the low value within the year. Although there are still three months remaining in this year, the high price was 21,552 yen on 13 June and the low price was 17,369 yen on 4 January. The rate of change of 24 percent was fairly low compared to the average of 41 percent in the last 10 years, but, it is not the lowest. In 1985, the rate was 13 percent.

The 10 years prior to that, with a few exceptions, was on the 10 percent level. Average was 17 percent. However, looking at the minimum value, up until 1989 it was rising splendidly. It was a period when "buy and hold" (definite compensation for holding blue chip stocks for a long period) was not merely lip service. The next 10 years, however, was the bubble (I do not like the feeling this word evokes) period. Stock prices rose wildly and then dropped in the same manner. Then, before one is aware of it, prices are in the process of becoming fixed in the 20,000 yen plus or minus 1,000 yen zone.

The fiscal year changed, and since April the rate of change has dropped 12 percent. There would be enough appeal if it were a upward-moving level of 10 percent, but since it is a 10 percent within a narrow tunnel and because there is a loss of transaction fees, no new money comes in. Prior to the war, the profit-making corporate system exchange would have attempted to expand transactions by a reduction in commissions, but with the member system exchange the need is not so keenly felt; therefore, although the chorus calling for abolition of the transaction tax is zealous, destruction of the fixed handling fee system has become taboo.

Suddenly, before one knew it, the Japanese stock transactions on the London Exchange had reached 14 percent of the TSE [Tokyo Stock Exchange]. That is an amount that corresponds exactly to the Osaka Securities Exchange portion being executed abroad. Because the Ministry of Finance also says that "it only means that globalization of Japan's stocks has advanced," one should not be upset about it. However, one has an objection to the opinion of knowledgeable people who say "at this rate, we will go from the world's third largest exchange to a local Asian market" because Tokyo is no longer the third largest market.

With the points of current aggregate value, transaction amount, scale aside, if "which represents a fair price" is made the criterion, I would give the nod to Simex (Singapore International Financial Exchange). This kind of market is a problem, and I will list the reasons.

Public Support Buying Impairs Transparency

First of all, stock prices have lost their significance as a leading indicator. There would not be anything wrong with that if the Japanese economy was tranquil and there were no rough waves in the stock market, but the actual situation is not so. Stock prices have merely become devoid of feeling and expressionless.

For instance, it has been a good while since announcement of the economic recovery. Also, several months have passed since the Bank of Japan suggested a bottoming out, yet stock prices do not even budge. Is it okay to dismiss it as not being worth consideration? Although such illustrations are not good, during the Pacific War attempts were made to cover up defeat at midway in Guadalcanal by desperately supporting stock prices with wartime financial corporations, etc., but the payback for that was suffering through handling by the Closed Institution Liquidation Commission (CILC).

Secondly, if exchange markets are not fair, confidence in issuing markets will be shaken. This is because of issuing at market price. If there is no credibility in the market price that is formed by the market, raising funds on that basis is tantamount to gambling. This is true for issuers, underwriters, and investors.

There are two items among the Securities Transaction Law that I feel are "indispensable." One is disclosure.

This means that the content of products (the company issuing the stock) being bought and sold is made as open as possible. The other is that artificial manipulation must never be added to prices which are created by the market. As Adam Smith recommended, it should be entrusted to "the invisible hand of God." Newly issued stocks can only be sold based on a price that is a divine price.

Articles appear in the newspaper that say public funds are supporting the 20,000 yen level. Separate from the ethical question of whether it is acceptable to have risk assets with public funds, for the market it is extremely confusing. Regardless of reality, that kind of rumor alone will damage the transparency of the market. The supervisory authorities and exchanges should take stringent precautions.

Why is it appropriate for the average price to be 20,000 yen? Authorized analysts all over the nation should take allegiance to this proposition. No matter how sophisticated a theory one deciphers, unless a clear explanation is given on whether the real price is high or low and why it is appropriate, we will probably never move from the age of dealers to the age of analysts even if the bubble is removed.

I simply feel that it is unnatural for the market price to not move in this way. When it is impossible to be satisfied with the exchange market, faith cannot be placed in the "current price." Capital increase and public offering should not be performed based on current price.

The government publicly offered NTT (Nippon Telegraph and Telephone Corp.) during the bubble period and that was frowned upon. In particular, the second time was just when the sudden drop began. The same happened with JR [Japan Railroad] East Japan and JT [Japan Tobacco]. At these times, the word self-responsibility is used conveniently. However, which one is more important, achieving a financial balance in expenditures and revenues (including liquidation enterprises) or maintaining the spirit of the Securities Transaction Law?

Maintaining 20,000 Yen Level for Banks' Benefit?

Thirdly, is it acceptable to settle the bad debts of banks at "this level"? Of course, for banks, because latent value (the difference between current price and book value) will increase, deficit disposition is easy. If it continues at the 20,000 yen level or rises it will be okay, but if it falls a new asset requiring repayment may be generated.

In August 1992, average stock price fell to just the 14,000 yen level. It was said that, at that point, the latent value of these stocks possessed by major banks became zero. This is not merely a case of having lost depreciable financial resources but means that banks were not able to clear the 8-percent net worth regulation of the BIS (Bank for International Settlements) at the end of March of the following year. This is because of a peculiar situation where Japanese banks were relying on an exceptional regulation that regards 45 percent of latent value of stocks held as net worth. Already, foreign magazines and newspapers were making exaggerated assumptions about the bad debt of Japanese banks.

If they could not realize the BIS regulations because of this, the ranking of Japanese banks would be greatly lowered. The cost of collected funds would rise and earnings would become constrained. The Finance Minister announced exceptional measures concerning the impending September mid-term settlement and it was immediately afterward that intervention in public funds began to be rumored.

Stock prices finally rallied and the BIS regulations at the end of March 1993 were somehow passed. The Cooperative Credit Purchasing Co. was established, but the market lost energy, which brings us to the present. Because banks are adopting the "cost or market method," there is a latent profit that is suited to each bank. This is the source of revenue of bad debt repayment.

For instance, what would be done about disposition of a 10 billion yen bad debt? The low cost on-hand stock would be replaced by current price stock. Specifically, 5 billion yen in book value stock would be sold, and at the same time 15 billion at current price would be repurchased. Loss would be covered by the transaction profit of 10 billion yen. Once they sell on the market there is no problem (manufacturers are disposing of bank stocks), but their relationship is the reverse of the high growth period. Banks are in the position of having to borrow for deposits.

The fact that banks revaluated held stock for the current price meant that they took on potential assets requiring repayment at the 20,000 yen level. If the 20,000 yen level continues it will be fine. If it falls significantly, appraisal loss will occur due to the cost or market whichever is lower principle. In this case, a 20,000 yen level will have to be maintained "for the credibility of the banks."

Formerly, a defensive war was waged where the average stock price in 1962, 1963, 1964 was 1,200 yen. As a search through the data reveals, the lows for those three years were 1,216 yen, 1,200 yen, and 1,202 yen. The period around 1963 was artistic. Although I ask concerned people "what was the significance of 1,200 yen," they do not know. They simply could not stand the results and got pushed out of the ring, heading to the brink of panic at 1,020 yen in July 1965.

I ask once again. What is the significance of the 20,000 yen figure?

'Watered Down' Reform of Rice Control Criticized

952A0038A Tokyo ASAHI SHIMBUN in Japanese 5 Oct 94 p 5

[Editorial: "Rice Farmers Will Not Develop This Way"]

[FBIS Translated Text] *A plan for reform of rice control to accompany the partial opening of the rice market has been settled. Rice farmers use their own judgment to decide the area to plant and are able to sell freely to dealers who buy at a gainful price. It is precisely when such a setup is in place that one can expect rice cultivation to recover its strength, and preparation for a time when rice is deregulated to be possible as well, but that kind of enthusiasm cannot be sensed in the reform plan.*

It is regrettable that the "introduction of market principles" is in name only, and that the reform plan has been watered down by all sorts of hold-over conditions being attached. It is still not too late. We would like to have the government give more study to making reform of the Staple Food Control Act more thorough before the middle of this month, when it will decide on the general features of the reform plan. The system of food control, which developed in wartime, functioned as a "rationing" system immediately after the war, but in recent years, when the quantity has been made sufficient and quality has been questioned, it has become a "leg iron" for highly motivated rice farmers.

It is to be expected that we are pressed by the necessity of removing that leg iron by reforming the existing system of food control, which has as its official stance direct control of rice from production to consumption. Incorporated in the new rice control system decided on by the government and ruling parties is content which can only be thought of as an anachronism. Enthusiastic rice farmers will not develop by this kind of thing.

First, concerning limitation of acreage, while saying that it respects "the producer's independence," it says "administrative agencies and producer organizations will unite and promote it," and "we will encourage consultation in the locality."

In the reality that the fetters of local communities are strong, it comes out to be the same as the existing "uniform compulsion." There is no chance that the desire for free production of a farmer who wants to sell a lot of rice that is safe and delicious will be given full play.

The mechanism for deciding the producer price for rice is also questionable. It claims to "base it on the market price," but the reality is that a deliberative council decides by "taking production costs into consideration."

Is this not the same as the current situation of a "political rice price"? We must make rice cultivation agriculture competitive in the grace period before tariffication based on the Uruguay Round agreement. A political rice price will only be an obstacle to this.

As to regulation of distribution, it has no bearing on the discussion. It has been arranged that in the future independent distribution rice and government rice will be called "planned distribution rice," and such things as black-market rice will be called "distribution rice outside the plan." This means that the legal problem has cleared up and black market rice will be recognized.

That is fine, but it says that, if one sells planned-distribution rice outside the plan, "the country's approval is required." That kind of procedure will probably make it something which exists in name only.

Crop collectors, wholesale and retail dealers will change from the current license system to a registration system. At first glance it looks like an improvement, but it comes with the hitch that one cannot be a crop collector if one does not cooperate in the work of limiting acreage.

This being the case, entrance by new private-sector dealers is difficult. It is nothing other than protecting the vested interests of agricultural cooperatives, which control over 90 percent of crop collection.

In the current reform plan the private ends of the agricultural cooperatives, which cling to vested interests, and the Food Agency, which devises schemes to maintain its authority, agree, so it only repainted direct control into indirect control. It is not even a confirmation of the status quo. Watered down reform only ends in reprisals from reality.

Among the measures decided on along with the new mechanism for rice control are listed numerous items, such as expanding the scope of agricultural management, reducing farmers' debts, promoting soil improvement and vitalizing semimountainous regions in order to attempt to strengthen competitiveness.

But thinking that has not freed itself from the method of solving things by the "easy money" of piling on all kinds of business fees is also deeply rooted in the governing parties. They should know that, far from leading to rehabilitation of Japanese agriculture, this, too, will cause it to decline.

North Korea

Experts Liaison Negotiations With U.S. Begin

SK0712125594 Pyongyang Korean Central Broadcasting Network in Korean 1215 GMT 7 Dec 94

[FBIS Translated Text] Experts negotiations between the DPRK and the United States on the establishment of liaison offices have begun. In line with the basic DPRK-U.S. agreement, experts negotiations between the DPRK and the United States on the establishment of liaison offices began between a delegation of the DPRK Foreign Ministry and a delegation of the United States of America Department of State in Washington yesterday.

Foreign Leaders Hail North-U.S. Talks Result

SK0612103294 Pyongyang KCNA in English 1019 GMT 6 Dec 94

[All names as received]

[FBIS Transcribed Text] Pyongyang, December 6 (KCNA)—The result of the DPRK-USA talks was hailed by foreign party and government leaders.

Patrick Mckenzie, acting general secretary of the People's National Congress of Guyana, in a solidarity message to the Central Committee of the Workers' Party of Korea [WPK] on November 10 hailed the agreed framework adopted between the DPRK and the USA, the first very important step for the settlement of the nuclear issue on the Korean peninsula and hoped that the agreed framework would be honestly implemented and mutual trust between the DPRK and the USA would develop.

Aloys Bisdorff, chairman of the Central Committee of the Communist Party of Luxembourg, when he met the delegation of the Workers' Party of Korea on November 29, said that his party hails the success of the DPRK-USA talks and expresses solidarity with the cause of the WPK to defend the principle of socialism and exalt the socialist system of its own style, overcoming the imperialists' pressure.

Prime Minister of Burkina Faso Roch Christian Marc Kabore, when he met the Korean ambassador who paid a farewell call on him on November 29, congratulated the DPRK on its achievements at the DPRK-USA talks and said that the secret of the achievements lies entirely in the feats of his excellency the great leader President Kim Il-song and the outstanding guidance of his excellency the dear leader Kim Chong-il.

Group Demands ROK Divulge Nuclear Development

SK0712045994 Pyongyang KCNA in English 0437 GMT 7 Dec 94

["South Korean Authorities Must Guarantee Their Nuclear Transparency"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 7 (KCNA)—The South Korean authorities are under an unavoidable obligation to guarantee their nuclear transparency for the past, present and the future. They must fully open to the world public the truth of their past nuclear development and clearly manifest their willingness to freeze nuclear arms development for the purpose of guaranteeing their nuclear uprightness for the present and future.

The secretariat of the Committee for the Peaceful Reunification of the Fatherland [CPRF] demands this in an open letter published on December 5 bringing to light the truth of nuclear arms development by the South Korean authorities.

The letter says:

The South Korean authorities must clarify historically and concretely all the documents and facilities for nuclear development which they have promoted till this date, and the nuclear materials and destructive devices, instruments and parts and the progress of manufacturing and their present location.

The South Korean authorities must take measures for scrapping and sealing up the Wolsong Heavy Water Reactor, the Taedok Multipurpose Research Reactor, "Post-Irradiation Test Facilities" and all other related means which are abused for the development of nuclear weapons, in keeping with the good-intentioned measures of the North.

The International Atomic Energy Agency [IAEA] resorting to "double standards" and partiality is wholly to blame for the systematic development of nuclear weapons by the South Korean authorities, which has reached a dangerous stage today.

We strongly demand that the IAEA feel its unavoidable responsibility and turn to the principle of justice and equality and open to the public the truth of the development of nuclear weapons by the South Korean authorities before it is too late and take steps to get the nuclear transparency guaranteed for the past, present and future.

The South Korean authorities must lend an ear to the voices of the nation and world conscience, stop the development of nuclear weapons and clarify nuclear transparency without delay.

ROK's 'Adventurous Arms Buildup' Criticized

SK0712080194 Pyongyang Korean Central Broadcasting Network in Korean 1222 GMT 6 Dec 94

[Commentary by Kim Ho-sam: "The Ambitious Arms Buildup Maneuver]

[FBIS Translated Text] South Korea's Kim Yong-sam clique is all the more bent on adventurous arms buildup commotions. According to reports, the Kim Yong-sam clique is planning to purchase 120 F-16 fighter bombers from the United States from mid-December this year to 1999, bringing twelve of them by April next year. This is a clear example of its extremely ambitious arms buildup commotions and evidently shows that the rascals' preparations for a war of northward aggression are being pushed ahead on an extremely grave stage.

As everyone knows, the Kim Yong-sam clique is purchasing large quantities of new-type weapons and war equipment from various countries, including the United States, under the excuse of maximizing their combat power.

The Kim Yong-sam clique has already brought in Patriot missiles and Apache attack helicopters from the United States. In addition, it has purchased CN-235m military transport planes from Spain and plans to purchase 190 Mistral anti-air missiles worth 200 million francs from France. Not satisfied with this, the Kim Yong-sam puppet group is planning to import F-16 fighter bombers from the United States. This shows how frantically the

Kim Yong-sam clique is running amok in war preparations and how desperately it is running about to drive the Korean peninsula to a dangerous corner.

The Kim Yong-sam clique has sharply increased its military budget each year for a reckless arms buildup. It appropriated largest-ever 10 trillion 75.3 billion won to this year's military budget, which is increased by 10 percent compared to last year. Worse yet, the Kim Yong-sam clique has appropriated 11 trillion 74.4 billion won to next year's military budget, 1 trillion more than this year.

In the meantime, the Kim Yong-sam puppet clique is frantically perpetrating war exercise commotions almost everyday at sea, on the ground, and in the air in order to increase its actual combat capability. Most recently, the rascals successively staged with the U.S. troops a large scale Foal Eagle-94 exercise, which is tantamount to the Team Spirit exercise; and other various military exercises, including Shield and Hwarang. In the areas of the Military Demarcation Line, the rascals have endlessly carried out armed provocative acts that incite us.

These facts show how ambitiously the Kim Yong-sam puppet clique is buckled down to preparations for a war of northward invasion and its maneuver has reached an extremely dangerous level. As a matter of fact, only an ambition for northward invasion exists in the mind of the Kim Yong-sam clique.

Recently, Kim Yong-sam babbled that democracy and liberty are his philosophy and expressed the belief and that realizing reunification under a democratic and liberal system is his dream and goal. This evidently shows the extent of the rascal's ambition to realize reunification by prevailing over communism.

Particularly, the Kim Yong-sam puppet group is in a more serious plight at home and abroad due to the adoption and implementation of the DPRK-U.S. agreed framework. Under such a circumstance, the Kim Yong-sam clique is trying all the more to find a way out through the showdown with us and its war policy, while kicking up preparations for a war of northward aggression.

It is needless to say that the Kim Yong-sam group's engagement in arms buildup commotions stem from the rascals' ambition to realize reunification by prevailing over communism. The Kim Yong-sam clique, however, should clearly know that it is a dangerous suicidal act.

All facts clearly show that as long as Kim Yong-sam remains in office, our nation cannot get away from the danger of war catastrophe and the durable stability and peace on the Korean peninsula cannot be anticipated.

The South Korean people will never tolerate the Kim Yong-sam clique, which is frantically preparing for a reckless war of northward aggression out of its wild dream to realize reunification by prevailing over communism. They will throw the rascals to the trash can of history.

Paper Denounces ROK Government Restructuring

SK0712050894 Pyongyang KCNA in English 0441 GMT 7 Dec 94

["Clumsy Drama To Save Crisis"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 7 (KCNA)—NODONG SINMUN today views the "government restructuring" now under way in South Korea as a token of the catastrophic crisis of the Kim Yong-sam "regime" and a last-ditch effort to tide it over.

Although the Kim Yong-sam group is loudly blaring that they "are now forming an effective and powerful government" to cope with "globalisation", no one would believe it, the analyst says, and continues:

"Government restructuring" allegedly responding to "globalisation," a mere fantasy, is a product of the policy debacle and hopeless crisis of the Kim Yong-sam "regime".

Lurking behind the "cabinet shakeup" is the sinister intention of the traitor Kim Yong-sam to remove all those who do not meekly obey him from the upper rungs of the power ladder and put his confidents in their place and tide over the present "governmental" crisis with the "civilian" fascist dictatorship at any cost.

But it is a big mistake, if Kim Yong-sam intends to prolong his power with such a drama.

It has been a trite method of the successive puppets to stage a "shakeup" whenever the "government" was plunged into a crisis in South Korea.

The traitor Kim Yong-sam's drama of "government restructuring" is another symptom of his doom.

Overseas Groups Urge Demolition of DMZ 'Wall'

SK0312103894 Pyongyang KCNA in English 1026 GMT 3 Dec 94

[FBIS Transcribed Text] Pyongyang, December 3 (KCNA)—Foreign [words indistinct] have urged the demolition of the concrete wall built in the area South of the Military Demarcation Line of Korea.

The Nepalese paper PUNAR JAGARAN [spelling of newspaper as received] November 22 said the concrete wall built by the United States and the South Korean authorities for years beginning in 1977 is aimed at perpetuating the division of Korea. It held that the concrete wall must be pulled down as soon as possible.

The Peruvian radio Star said on November 24 that the concrete wall must be destroyed without delay because it is a symbol of national division and confrontation and an obstacle to Korean reunification.

The Guinean paper INDEPENDENT stressed that the South Korean authorities must pull down the concrete wall at an early date for the the reunification of Korea in keeping with the trend towards dialogue and detente after the Cold War ended in the world.

South Koreans Demonstrate About 12 Dec 'Crimes'

SK0512043294 Pyongyang KCNA in English 0405 GMT 5 Dec 94

[FBIS Transcribed Text] Pyongyang, December 5 (KCNA)—More than 200 members of dissident organisations in Kwangju and South Cholla Province, South Korea, staged a demonstration in Seoul, denouncing the crimes of Chon Tu-hwan, No Tae-u and others involved in the "December 12 incident" and demanding their punishment, according to a report.

Some 10 civic organisations of Pusan at a press conference strongly urged the authorities to promptly withdraw the suspension of prosecution against those involved in the "December 12 incident".

ROK's Treatment of 'Patriotic Students' Decried

SK0612065594 Pyongyang KCNA in English 0429 GMT 6 Dec 94

["CPRF Secretariat Denounces Kim Yong-sam Group's Suppression of Students"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 6 (KCNA)—The secretariat of the Committee for the Peaceful Reunification of the Fatherland [CPRF] issued its information No. 666 on Monday denouncing the Kim Yong-sam group for having whisked away all of some 200 students belonging to the South Korean Federation of General Student Councils who demanded in Seoul on December 1 that a strict legal action be taken against those involved in the "December 12 incident" in 1979.

The information says:

The Kim Yong-sam group walked off all the students who called for punishment of those involved in the military revolt, which is openly debated on in political circles of South Korea. This only shows how afraid the Kim Yong-sam group is of the student movement and what a pitiful position it finds itself in by using the military fascist clique of the "Fifth and Sixth Republics" as supporters to bolster up the crumbling ruling crisis.

The patriotic students of South Korea will further tighten solidarity with people of all walks of life and wage a more stubborn struggle to bury the "National Security Law" and the "civilian"-veiled fascist clique.

Foreign Groups Urge Repatriation of Prisoners

SK0612063394 Pyongyang KCNA in English 0410 GMT 6 Dec 94

[FBIS Transcribed Text] Pyongyang, December 5 (KCNA)—Malaysian and Ghanaian public organisations demanded the repatriation of old Kim In-so, Ham Se-hwan and Kim Yong-tae, unconverted long-term prisoners in South Korea, to the northern half of the country.

The Malaysian Centre for the Creation of Peace in a letter to the South Korean puppet president on November 15 urged the South Korean authorities to immediately send back Kim In-so, Ham Se-hwan and Kim Yong-tae who were taken prisoners in the Korean war (June 25,1950- July 27, 1953) and kept behind bars for 30 odd years to the northern half of Korea so that the old men may spend the remainder of their lives with their families and relatives.

The Ghanaian National Institute of the Chuche Idea in its letters to the Amnesty International and the International Red Cross on November 24 denounced the South Korean nauthorities for ruthlessly trampling underfoot the basic rights of unconverted long-term prisoners in South Korea and appealed to the above-said organisations to make efforts to see that they spend the remainder of their lives with their flesh and blood.

Group for ROK Prisoners' Cause Formed in Japan

SK0612070994 Pyongyang KCNA in English 0432 GMT 6 Dec 94

[FBIS Transcribed Text] Tokyo, December 4 (KNS-KCNA) [dateline as received]—The "Society for the Repatriation of Old Kim In-so, Ham Se-hwan and Kim Yong-tae, Unconverted Long-Term Prisoners in South Korea" was inaugurated in Tokyo on December 1.

Ho Chong-man, chief vice-chairman of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon) made a speech at the meeting, which was followed by a report and speeches.

The reporter and speakers said that old Kim In-so, Ham Se-hwan and Kim Yong-tae should have been repatriated to their hometowns according to the Korean armistice agreement and international law and their demand is fully legitimate in view of humanitarian idea.

The meeting decided to inaugurate a society for the repatriation of the unconverted long-term prisoners and conduct this movement in a massive and brisk way.

It also decided to install the secretariat of the society at the Association for the Human Rights of Koreans in Japan and elected chairman of the association Choe Il-su chief of the society.

Korean in Japan on NSL, Release of Prisoners

SK0312104394 Pyongyang KCNA in English 1033 GMT 3 Dec 94

[FBIS Transcribed Text] Tokyo, December 1 [date as received] (KNS-KCNA)—Kim Chong-su, chairman of the Association of Koreans in Japan for Peaceful Reunification, released a statement on November 30 urging the South Korean authorities to promptly scrap "the National Security Law," a fascist law without an equal which defines the fellow countrymen in the North as "the enemy." He also demanded an immediate release of Yi Chang-pok, permanent chairman of the National Alliance for Democracy and Reunification (Chongukyonhap), Kang Hui-nam, chairman of the Preparatory Committee for the Formation of the South Side Headquarters of the National Alliance for the Country's Reunification (Pomminnyon), and all other pro-reunification patriotic forces and the discontinuation of the crackdown on all the patriotic movement for reunification.

Recalling that the Kim Yong-sam fascist clique, on November 22, demanded a four-year prison term and four-year suspension of qualification for Yi Chang-pok on the charge of supporting the confederacy formula for reunification and planning to open the Fifth Pan-national Rally [PNR] in Seoul after forming the South side headquarters for its promotion, Kim Chong-su condemned it as a challenge to all the fellow countrymen's desire for reunification and the cause of reunification.

"The PNR is a gathering demonstrating our nation's strong will for reunification at home and abroad," he said. "It has been fully revealed once again that the Kim Yong-sam clique, which call the PNR 'an illegal rally', are clean indifferent to the reconciliation and unity of the nation and the reunification of the country and seek only the maintenance of power."

Paper Denounces Japan's Moves for UNSC Seat

SK0612071194 Pyongyang KCNA in English 0439 GMT 6 Dec 94

["Japan Must Stop Acting Recklessly"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 6 (KCNA)—Japan is now displaying feverish activities to grab a permanent seat of the United Nations Security Council.

Branding this as an imprudent act of Japan not knowing her position, a by-lined article of NODONG SINMUN today advises the Japanese authorities to look squarely at the reality and act with discretion.

Recalling that only a few countries of more than 170 national delegates who made general speeches at the U.N. General Assembly expressed support to the permanent membership of the U.N. Security Council of Japan, the paper says:

Many countries disliked Japan's permanent membership on the international rostrum because she is not qualified for it.

In the past, Japan committed heinous crimes against the international community by invading other countries. She, however, has neither admitted nor apologized for nor compensated for the past crimes. On the contrary, she is trying to justify her past crimes.

What she seeks in her attempt to become a permanent member of the U.N. Security Council is to gratify her criminal dominationist designs by abusing the post. The Japanese reactionaries intend to use the permanent seat as an expedient of interference in the internal affairs of other countries. She also intends to legalize her nuclear arming and gloss over the issue of liquidating the past by ranking herself among the permanent members of the security council. It is, therefore, only too natural that many countries are opposed to her permanent membership.

Foolish is the imprudent attempt of Japan to become a permanent member of the U.N. Security Council, ignoring the world public sentiments.

Former U.S. Admiral Visits West Sea Barrage

SK0512101894 Pyongyang KCNA in English 1007 GMT 5 Dec 94

[FBIS Transcribed Text] Pyongyang, December 5 (KCNA)—Former U.S. Admiral Elmo Zumwalt and his party who arrived in Pyongyang on November 29 upon the invitation of the Korean Asia-Pacific Peace Committee visited the West Sea barrage on December 3.

After seeing the barrage, Elmo Zumwalt said the West Sea barrage is a gigantic structure, which was built splendidly from the engineering point of view.

He said he had seen and got to know a lot of things in Korea this time and paid regards to the leader and people of Korea who built such a large-scale structure as the West Sea barrage.

He said he thought the Geneva agreement would be implemented with the realization of closer cooperation between the DPRK and the United States in the future.

Zumwalt and his party also inspected the Pyongyang School Children's Palace, the three revolution exhibition and other places.

WTU Congress Urges Solidarity With Reunification

SK0512103294 Pyongyang KCNA in English 1018 GMT 5 Dec 94

[FBIS Transcribed Text] Pyongyang, December 5 (KCNA)—The participants in the 13th World Trade Union [WTU] Congress which was held in Damascus called upon the trade union organisations and working people of all countries to conduct a brisk solidarity movement for the reunification of Korea.

The resolution on Korea adopted at the congress on November 26 stresses that it is an important matter today to replace the Korean Armistice Agreement with a peace agreement and establish a peace mechanism in place of the existing armistice mechanism in easing tension and ensuring peace on the Korean peninsula.

It says:

The congress demands that the United States and the United Nations respond to the DPRK's proposal to this end.

The congress highly estimates the DPRK's efforts for a peaceful solution to the pending issues including the nuclear problem and urges an early implementation of the agreed framework adopted by the DPRK and the U.S.

The congress demands an immediate abolition of the "National Security Law" in South Korea which obstructs the realisation of great national unity by defining fellow countrymen as the "enemy" and legally banning free travel, contact, cooperation and exchange between the North and the south.

The congress appeals to the trade union organisations and working people of all countries to conduct a brisk movement in various forms and ways to express solidarity with the working masses and people of Korea in their efforts for the independent and peaceful reunification of Korea in the month of international solidarity with the Korean people and on other occasions.

North, Russian Youth Leagues Issue Resolution

SK0612064994 Pyongyang KCNA in English 0426 GMT 6 Dec 94

[FBIS Transcribed Text] Pyongyang, December 6 (KCNA)—A joint resolution between the League of Socialist Working Youth of Korea (LSWYK) and the Young Communist League of Russia (YCLR) was made public here.

According to it, the two youth leagues exchanged views.

The LSWYK congratulated the YCLR on its successful second congress and highly estimated its efforts to defend the communist idea and the genuine interests of young people. It manifested the expectation that the fighting goal and major hope of the YCLR members to revive socialism would be achieved without fail.

The YCLR expressed solidarity with the Korean people and young men and women in their struggle to realize the reunification of the country through the confederation formula on the three principles of independence, peaceful reunification and great national unity and "10-point programme of the great unity of the whole nation for the reunification of the country" put forward by the great leader President Kim Il-song and urged the United States to honestly implement the DPRK-USA agreed framework.

The LSWYK and the YCLR stressed that the young people should take the lead in the struggle to accomplish the cause of socialism, the ideal of humankind, put an end to the domination and interference and colonial policy of the imperialists, establish a new international political and economic order and achieve social progress and independent development.

Premier Kang Sends Message to Thai Counterpart

SK0712011294 Pyongyang KCNA in English 2243 GMT 6 Dec 94

[FBIS Transcribed Text] Pyongyang, December 6 (KCNA)—Kang Song-san, premier of the Administration Council of the Democratic People's Republic of Korea, sent a message of greetings to Thai Prime Minister Chuan Leekpai on the occasion of the national day of the Kingdom of Thailand.

Expressing the belief that the excellent friendly and cooperative relations between the two countries would grow stronger and develop in the future, the message wished him success in his work for the development of the country.

Newspaper Commemorates Thailand's National Day

SK0512102194 Pyongyang KCNA in English 1009 GMT 5 Dec 94

["National Day of Thailand Observed"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 5, (KCNA)—NODONG SINMUN today dedicates a signed article to the national day of Thailand.

The Thai people have made assiduous efforts to build a new life and prosperous Thailand in the past, the article says, and continues:

Thailand, a member state of the ASEAN, is striving to strengthen economic cooperation among countries and to ensure stability and peace in this region.

Friendship between Korea and Thailand is developing in favour of the aspirations and interests of the two peoples and contacts and exchanges in various fields are expanding.

Hoping that friendly relations between Korea and Thailand will continue to expand and develop, the Korean people wish the Thai people greater success in the work for building a prosperous Thailand.

Kang Song-san Sends Greetings to Lao Leader

SK0512052794 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 1 Dec 94

[FBIS Translated Text] Comrade Kang Song-san, premier of the Administration Council, sent a congratulatory message to Siphandon Khamtai, prime minister of the Lao People's Democratic Republic.

The congratulatory message extended warm congratulations on the 19th anniversary of the founding of the Lao

People's Democratic Republic and wholeheartedly wished Laos greater success in its future activities.

The congratulatory message expressed the firm belief that traditional friendly and cooperative relations between the two countries will be further strengthened and developed in various fields.

Envoy Bids Farewell to Pakistani Party Leader

SK0412034094 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 30 Nov 94

[FBIS Translated Text] On 23 November, Choe Su-il, our country's ambassador to Pakistan, paid a farewell call on Iqbal Ahmed, the general secretary of the Pakistan Muslim League.

In the meeting, the ambassador conveyed greetings from the dear leader Comrade Kim Chong-il to General Secretary Iqbal Ahmed. The general secretary expressed deep gratitude for this and asked the ambassador to convey his heartfelt greetings to His Excellency Kim Chong-il, the supreme leader of the Korean people.

The general secretary said he can never forget the day when he met and posed for a photograph with his excellency the great leader President Kim Il-song and His Excellency Kim Chong-Il. He said he truly respects His Excellency Kim Chong-il. He said he extends his heartfelt thanks to His Excellency Kim Chong-il who has overcome the greatest sorrows of having lost His Excellency great leader President Kim Il-song and wisely led the DPRK-U.S. talks.

He stressed that the Pakistan Muslim League highly evaluates and supports efforts directed by the DPRK Government and people to set up a peace guarantee system through direct talks with the United States. He said the Pakistan Muslim League will further develop friendly relations with the Workers' Party of Korea and will strongly support the struggle of the DPRK Government and people for the country's peaceful reunification.

Mongolian Journalists Delegation Arrives 4 Dec

SK0512043094 Pyongyang KCNA in English 0403 GMT 5 Dec 94

[FBIS Transcribed Text] Pyongyang, December 5 (KCNA)—A delegation of the union of Mongolian journalists headed by its President Ts. Tserendorzh arrived here Sunday by train.

It was met at Pyongyang railway station by first vice-chairman of the C.C. [Central Committee], the Korean Journalists Union Choe Yong-sam.

Visits Kim Il-song's Statue

SK0612071294 Pyongyang KCNA in English 0435 GMT 6 Dec 94

[FBIS Transcribed Text] Pyongyang, December 6 (KCNA)—The visiting delegation of the Union of Mongolian journalists headed by its President Ts. Tserendorzh called at the statue of the great leader President Kim Il-song on Mansu Hill on Sunday and laid a bunch of flowers and observed a moment's silence in his memory.

The head of the delegation said that the Mongolian people, along with the Korean people, deeply respect the great leader Comrade Kim Il-song and dear Comrade Kim Chong-il.

"We could hardly repress sorrow at the news of the sudden death of the great leader," he said.

He wished the Korean people greater victory in their future work under the wise leadership of dear Comrade Kim Chong-il.

Syrian President 'al-Asad on Relations With North

SK0312105594 Pyongyang KCNA in English 1028 GMT 3 Dec 94

[FBIS Transcribed Text] Pyongyang, December 3 (KCNA)—The Syrian president, Hafiz 'al-Asad, when he met with the Korean trade union delegation to the 13th World Meeting of Trade Unions on November 27, said that the friendly relations between Korea and Syria were forged long ago and have since developed and strengthened.

He noted that these friendly relations would continue to develop in the future, too.

Pointing out that, particularly, the friendly relations between the leaders of the two countries would continuously develop, he wished the Korean people greater success in the future under the guidance of esteemed Comrade Kim Chong-il.

Belgian Party Leaders Meet WPK Delegation

SK0412032694 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 30 Nov 94

[FBIS Translated Text] On 22 and 23 November, Ludo Martens, the chairman of the Central Committee of the Belgian Party of Labor, and Roger Gailliez, the general secretary of the Walloon Socialist Party of Belgium, received a delegation of the Workers' Party of Korea [WPK] led by Yim Sun-pil, deputy director of a department of the party Central Committee

In the meetings, the head of the delegation conveyed greetings from the dear leader Comrade Kim Chong-il to the heads of the parties. The heads of the parties expressed deep gratitude for this and asked the head of the delegation to convey their heartfelt greetings to the dear leader Comrade Kim Chong-il.

Chairman Ludo Martens said the dear leader Comrade Kim Chong-il's immortal work, "Socialism is Science," is a valuable work of historic and educational significance. He said he will actively wage a movement to further develop friendly relations between the two countries and to support the Korean people's cause for national reunification.

Saying that he looks back on the days when he was received by President Kim Il-song during his stay in Korea, General Secretary Roger Gailliez said President Kim Il-song's death was a big loss for his party and once again expressed deep condolences on President Kim's death in the name of the Walloon Socialist Party of Belgium.

He said the Walloon Socialist Party of Belgium highly evaluates the WPK's independent spirit and welcomes the DPRK-U.S. framework agreement. Then he said his party will invariably support the just cause of the WPK and the Korean people. He said he firmly believes that His Excellency Kim Chong-il, the leader [yongdoja] of the WPK, will wisely lead the socialist cause and, thus, will further glorify the socialism of DPRK-style and will ardently adhere to it. He said he wishes the dear comrade leader a brilliant victory in his works.

On 23 November, the general secretary of the Christian People's Party also received the delegation.

Peruvian Party Leader Receives Envoy to Peru

SK0512063294 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 1 Dec 94

[FBIS Translated Text] (Guzman Libera Kastanaga), general secretary of the Peruvian Socialist Revolutionary Party, received our country's Ambassador to Peru Kim Kyong-ho on 29 November.

At the meeting, the ambassador delivered greetings from the dear leader Comrade Kim Chong-il to the General Secretary (Guzman Libera Kastanaga). The general secretary expressed his deep gratitude for this and asked the ambassador to convey his warm greetings to the dear leader Comrade Kim Chong-il.

The general secretary stated: Comrade Kim Chong-il, who has brilliantly succeeded to the chuche revolutionary cause pioneered by the great leader Comrade Kim Il-song, presented the work "Socialism Is Science," which has provided great strength and courage to communist, socialist, and progressive parties that aspire to socialism, especially to all parties that signed the Pyongyang statement. Comrade Kim Chong-il's greatness is all the more shining because of the great ideological theories presented in his work. Today, the progressive and revolutionary forces of the world are learning and following the experience of DPRK-style socialist construction based on the chuche idea. Our party will also learn and follow the chuche idea that endlessly elucidates the way mankind should go along. We were happy to receive Comrade Kim Chong-il's work. We will study the work in-depth and make active efforts to embody it in our revolutionary practice. We will continue to actively support the struggle of the Workers' Party of Korea and the DPRK people for socialist construction and national reunification.

Peruvian, Ghanaian Party Leaders on 'Just Cause'

SK0512103094 Pyongyang KCNA in English 1014 GMT 5 Dec 94

[FBIS Transcribed Text] Pyongyang, December 5 (KCNA)—General Secretary of the Socialist Revolutionary Party of Peru Guzman Rivera Castaneda and National Chairman of the National Democratic Congress of Ghana Issifu Ali [name as received] expressed support to the Korean people's just cause when they received the Korean ambassadors to their countries recently.

The Peruvian party leader said that Comrade Kim Chong-il who is successfully carrying forward the revolutionary cause of chuche started by the great leader President Kim Il-song published the work "Socialism Is a Science", giving great strength and courage to the communist, socialist and other progressive political parties advancing toward socialism, especially, to all the parties which signed the "Pyongyang declaration".

"We will make a deep study of the work and bend energetic efforts to carry it into revolutionary practice and will actively support the Workers' Party and people of Korea in the struggle for socialist construction and the reunification of the country invariably in the future," he stated.

The Ghanaian party leader said that the reality of Korea where socialism is making a long drive well shows the validity and vitality of socialism.

"The achievements of the Korean people give great inspiration and strength to us and the world progressive people," he said, adding:

"We will further strengthen the friendly and cooperative relations with the Workers' Party of Korea, draw on its experience in party building and will apply it to the building of a popular society, a society of justice, in Ghana."

Bulletin on Chuche Published in Africa

SK0612063494 Pyongyang KCNA in English 0414 GMT 6 Dec 94

[FBIS Transcribed Text] Pyongyang, December 5 (KCNA)—The African Regional Committee for the Study of the Chuche Idea published the bulletin "Chuche Idea" No. 1.

The bulletin in an article titled "In Memory of President Kim Il-song" says that the sudden death of the great leader President Kim Il-song is the biggest loss to the Korean people and the entire followers of the chuche idea.

It further says:

President Kim Il-song opened a new era of the development of human history by founding the immortal chuche idea.

By applying it, he turned the Democratic People's Republic of Korea into a powerful socialist country centred on the popular masses.

His cause will certainly be accomplished by His Excellency the dear leader Kim Chong-il.

In an article captioned "The Chuche Idea and Africa" it notes that the chuche philosophy is one showing to man the most excellent road of shaping his destiny.

The historical experience and reality prove that the chuche idea is the most correct guiding idea, theory and method in the building of an independendent society, the bulletin says, and adds:

The chuche idea gives answers as regards the demand of our era, a new era in which the popular masses aspire after independence.

Kim Yong-nam Congratulates New Nepal Counterpart

SK0612064894 Pyongyang KCNA in English 0421 GMT 6 Dec 94

[FBIS Transcribed Text] Pyongyang, December 6 (KCNA)—Vice-Premier and Foreign Minister Kim Yong-nam sent a message of greetings to Madhav Kumar Nepal on his appointment as vice-premier and minister of foreign affairs of the Royal Government of Nepal.

Expressing the belief that the relations of friendship and cooperation between the two countries would further develop and strengthen in the idea of independence, peace and friendship, the message sincerely wished him a great success in the performance of his new duty.

Kang Song-san Sends Greetings to Nepalese Leader

SK0312110894 Pyongyang KCNA in English 1056 GMT 3 Dec 94

[FBIS Transcribed Text] Pyongyang, December 3 (KCNA)—Premier of the Administration Council Kang Song-san sent a message of greetings to Man Mohan Adhikari [spelling of name as received] upon the victory of the Communist Party in the general elections and upon his assumption of the premiership of the Royal Government of Nepal.

The message noted that the assumption of heavy responsibilities as prime minister by Man Mohan Adhikari is a vivid expression of deep trust and support of the Nepalese people for him and the Nepalese Communist Party that have striven for the country's independent development and the people's rights, and wished him big success in his work for building an independent and prosperous new Nepal.

Nepalese Prime Minister on DPRK Relations

SK0512042994 Pyongyang KCNA in English 0402 GMT 5 Dec 94

[FBIS Transcribed Text] Pyongyang, December 5 (KCNA)—Man Mohan Adhikari [name as received], who took office as prime minister of Nepal, when he met the Korean ambassador to his country on December 1, said that the idea and theory expounded by the dear leader Comrade Kim Chong-il in his treatise "Socialism Is a Science" are the most correct idea of socialism.

He said it is very important for the Nepal Communist Party (United Marxism-Leninism) and the Nepalese Government to develop their relations with the Workers' Party of Korea and the DPRK Government on better terms and stated that his party and government would actively support all the lines and policies of the Korean party and Government for socialist construction and the independent and peaceful reunification of the country in the future.

German Editor Brings Gift for Kim Chong-il

SK0612112094 Pyongyang KCNA in English 1103 GMT 6 Dec 94

[FBIS Transcribed Text] Pyongyang, December 6 (KCNA)—Dear Comrade Kim Chong-il, the great leader of our party and people, received a gift from Werner Adam [name as received], editor in charge of the foreign policy of the German paper FRANKFURTER ALLGEMEINE.

The gift was handed to an official concerned.

Kim Chong-il Receives Gift From Fidel Castro

SK0612112494 Pyongyang KCNA in English 1105 GMT 6 Dec 94

[FBIS Transcribed Text] Pyongyang, December 6 (KCNA)—Comrade Kim Chong-il, the great leader of our party and people, received a gift from Comrade Fidel Castro Ruz, first secretary of the Central Committee of the Communist Party of Cuba and president of the Council of State and the Council of Ministers of the Republic of Cuba, on the New Year 1995.

It was handed to the Korean ambassador to Cuba by the acting chief of protocol of the Cuban Foreign Ministry on December 1.

Kim Chong-il's Socialism Work Studied Abroad

SK0612064694 Pyongyang KCNA in English 0420 GMT 6 Dec 94

[FBIS Transcribed Text] Pyongyang, December 6 (KCNA)—The dear leader Comrade Kim Chong-il's famous work "Socialism Is a Science" was disseminated and studied in different countries.

A seminar on the work was sponsored by the Peruvian Group for the Study of Works of Comrade Kim Il-song.

Eleazar Ramos Loarte, organizing secretary of the People's Front of Workers, Peasants and Students of Peru and secretary general of the group, in his speech said:

Comrade Kim Chong-il's teachings that scientific socialism is as alive as ever in the minds of the people and that socialism will without fail be revived and win ultimate victory for its scientific accuracy and truth are the precious proposition which gives us fresh confidence and courage.

Comrade Kim Chong-il is the only leader of the Korean people as well as the world people.

As it is led by Comrade Kim Chong-il, world socialism will tide over the temporary difficulties and win victory without fail.

At a seminar on the work held by the Society for the Study of the Chuche Methods of Farming at the Kim Il-song Institute of Agricultural Science in Guinea, Director of the institute Alpha Toure said:

The work dealt a heavy blow at the imperialists and reactionaries who are fussing about the "end of socialism" and gave strength and courage to the people who are aspiring after socialism.

Although socialism is temporarily experiencing a setback, it will win ultimate victory.

The socialism of Korea under the leadership of His Excellency dear Kim Chong-il is making a long drive.

The Korean-style socialism in which everything serves the people is a beacon of hope to the third world people.

His Excellency Dear Kim Chong-il is the most outstanding leader of socialism and the era of independence.

The work was also studied by the Revolutionary Party of Benin, the Swiss Group for the Study of the Chuche Idea and the Group for the Study of Works of Comrade Kim Chong-il in East Ruimveldt Gardens, Guyana.

Meanwhile, the Zairean Society for the Study of Works of Kim Chong-il held a seminar on his work "On the Chuche Idea".

Works of Kim Chong-il Carried by Foreign Media

SK0412081294 Pyongyang KCNA in English 0800 GMT 4 Dec 94

[FBIS Transcribed Text] Pyongyang, December 4 (KCNA)—"Socialism Is a Science," a famous work of the dear leader Comrade Kim Chong-il, was carried by the Russian paper PRAVDA under the title "Socialism Is Alive in the Hearts of the People."

The paper said in the preface:

Today when the reformists are trying to put socialism in the dock and stifle it, it is very important to give an objective and scientific exposition not only of the history of the socialist idea but of the practice of socialist changes in different countries.

"Socialism Is a Science," a treatise published recently by Comrade Kim Chong-il, the supreme leader of the Democratic People's Republic of Korea, in NODONG SINMUN some time ago, gives an understanding of how socialism is viewed in the DPRK.

The Palestinian magazine PALESTINE AL SAURA [spelling as received] carried the work, printing a portrait of Comrade Kim Chong-il.

Meanwhile, the Romanian paper SCINTEIA SOCIALISMULUI [spelling as received] carried the famous work of Comrade Kim Chong-il "Abuses of Socialism Are Intolerable."

Kim Chong-il Thanks Officials, Working People

SK0512103594 Pyongyang KCNA in English 1021 GMT 5 Dec 94

[FBIS Transcribed Text] Pyongyang, December 5 (KCNA)—Dear Comrade Kim Chong-il, the great leader of our party and people, sent thanks to the officials of the Ministry of the Power Industry, the South Hwanghae Provincial united power transmission and transfrormer station and the Yonan and Chongdan County power distribution stations in South Hwanghae Province, who had given an active assistance to the socialist countryside.

He also extended thanks to working people of different units including a teacher of the Kim Chaek University of Technology, Kim Kwang-chung, and his wife, a worker of the commercial management office of the Taesong general bureau, Yon Il-yong, and graduates of the sixth year-3 class of the Sinhung Senior Middle School, Kangso District, Nampo Municipality, who had volunteered for work on cooperative farms.

The speakers at the meetings held to convey the thanks vowed to uphold the leadership of Comrade Kim Chong-il with loyalty through generations and achieve new successes in fulfilling their revolutionary tasks.

Paper Highlights Kim Chong-il's 'Classic' Work

SK0612102994 Pyongyang KCNA in English 1014 GMT 6 Dec 94

["Profound Analysis of Socialism Giving Worthy Life to Popular Masses"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 6 (KCNA)—"Socialism Is a Science", a famous work of the dear leader Comrade Kim Chong-il, is considered to be a classic work that has further developed and enriched the chuche-oriented view of life toward a worthy life and socio-historical view and an immortal monumental work that has convincingly proven the advantages and invincibility of socialism, a by-lined article of NODONG SINMUN today says.

It quotes the dear leader Comrade Kim Chong-il as saying:

"Man-centred socialism enables all members of society to live in harmony, enjoying the love and trust of society and the collective, and to lead a completely noble and worthy life, while working devotedly for society and the collective with a high degree of consciousness and creative ability."

The article notes:

The dear leader Comrade Kim Chong-il in the work has given an overall exposition of the scientific accuracy and the truth of the Korean-style socialism, basing himself on the chuche-oriented view of and attitude toward the worthy life expounded by the chuche idea.

And, the work specifies the worthy life of man in relationship between the collective and an individual, thus indicating the road of a true life conforming to man's intrinsic nature and clear way for scientific socialism.

By clarifying that a worthy life can be enjoyed only under the socialist system, the work has eloquently proven the validity and invincibility of the cause of socialism, the article says, and goes on:

Man's desire to enjoy a worthy life amid the love and trust of the social collective is realized only in the socialist society.

Socialist society is one based on collectivism. When the socialist system is established, class antagonism is liquidated and the relations among people change into those of love and trust from those of antagonism and distrust. In socialist society, the interests of an individual and those of the collective conform with each other and all people devotedly work for the social collective. So the entire people form a socio-political organism and enjoy a worthy life with socio-political integrity amid the love and trust of the social collective.

Scientific socialism based on the chuche-oriented view of and attitude toward man's worthy life has been brought into a brilliant reality in Korea to display great advantages.

Essay Accents People's Loyalty to Kim Chong-il

SK0612150094 Pyongyang Korean Central Broadcasting Network in Korean 0440 GMT 6 Dec 94

[Unattributed essay: "We Will Eternally Uphold and Follow Him"]

[FBIS Translated Text] The great leader Comrade Kim Il-song taught: Comrades, you should fulfill your loyal duties for Comrade Kim Chong-il and should brilliantly accomplish the socialist cause and the cause of the fatherland's reunification, upholding his leadership.

As time passes by, many things in the world change and are forgotten by people. However, all the people's endless trust in and admiration of the great leader, as well as his boundlessly sacred and benevolent image, cannot change or be forgotten, no matter how long time passes by and how many times nature changes.

The steaming summer and tinged autumn have stolen by, and winter slipped up on us unaware. Many days and months have passed since the fatherly leader's death, but his respected image has never been forgotten by us even for a moment, and it rather floats more vividly and painstakingly as days go by.

Today, all our people can see the fatherly leader's benevolent image in the great visage of the dear comrade leader, who is standing high at the front of our revolution, and they are filled with the determination to eternally uphold the respected and beloved General Kim Chong-il, fulfilling their loyal and filial duties for him.

I deeply felt this while I recently interviewed the fifteen discharged soldiers of the Korean People's Army unit, to which Comrade Kim Won-chang belongs, who volunteered to advance into the revolutionary battle sites in Mt. Paektu.

Shedding tears from the bottom of his heart during the mourning period, Army officer Comrade Han Yong-kol, who was going to be discharged from military service, promised himself repeatedly: When I am discharged from service, I will advance into the revolutionary battle sites in Mt. Paektu, where I will live my life, like the guerrillas and guards who protect the old home at the secret camp in Mt. Paektu.

Following Han, Army officers Comrades Yun Won-kun, Yang Sung-kwon, and Choe Man-yong, who wanted to be public security personnel; Army officer Comrade Cho Kwang-chol, who wanted to be a miner to be upheld as the country's first son, following his father; and Comrades Chang Chun-ik, Song Chang-son, Kim Chol-ho, An Yong-chun, Pak Chong-nam, Kim Yong-hyok, Hyon Chol-ho, and An Chae-myong have vied with enthusiasm in petitioning for the allowance of their advance into the revolutionary battle sites in Mt. Paektu.

Among the fifteen soldiers, there are Comrades Hwang Myong-suk and Kang Yong-hui, women soldiers, who have an ardent desire to eternally bloom as rhododendrons of Mt. Paektu, like anti-Japanese women fighters.

I did not put the redundant question to them about what made them choose the road, setting aside their youthful hopes and ambitions. This was because their heartfelt letter to respected and beloved supreme commander General Kim Chong-il explained it plainly. The letter includes the following words: Being always clearly aware that every plant and tree in the Mt. Paektu district nestles the fatherly leader's sublime footsteps along the long way of bloody anti-Japanese battles, as well as our party's brilliant revolutionary achievements, we will even better preserve and manage historic revolutionary relics as they were originally, so that they can be inherited through generations. We will become fifteen guerrillas and guards who protect the old home at the secret camp in Mt. Paektu, the sacred ground of the revolution, where the bright star of Mt. Paektu has risen high, and become fifteen rhododendrons that bloom at the revolutionary battle sites. We solemnly swear again that, by doing so, we will firmly protect our party's deep and stout roots. We humbly wish the respected and beloved supreme commander General Kim Chong-il a long life and good health.

Not only the fifteen soldiers but also all our people earnestly desire this. Therefore, our people visit the Mansudae hill again and again with unrestrainable yearning for the respected and beloved Comrade Kim Chong-il and, looking up at the fatherly leader's statue, they are repeatedly determined to even better uphold the dear comrade leader, fulfilling their loyal and filial duties for him, as they did for the fatherly leader.

This pledge from the bottom of their hearts was made when the country and the people were in grief and sorrow from their loss. The boundlessly great image of dear Comrade Kim Chong-il, whom we absolutely trust in and rely on, is embodied as faith in this pledge. All our people have converted the sorrow into new strength and courage, looking up at the dear comrade leader who silently swallowed even the greatest pain of loss for the sake of the fatherland and the people, and is wisely leading all activities of the party, the country, and the Army.

While being so busy with various activities, the dear leader Comrade Kim Chong-il personally wrote the classic work "Socialism Is a Science" to elucidate the most correct socialist building ideologies and theories and is firmly defending the popular masses-oriented socialism of our own style that is the cradle of our people's happiness. He is a peerless man of ideology and theory.

The respected and beloved General Kim Chong-il issued the Supreme Commander Order No. 0051, stressing that implementing the great leader's grand idea for capital building as soon as possible is an important and responsible task to realize the fatherly leader's intent to prepare more abundant and civilized living conditions for our people. From the great visage of the respected and beloved General Kim Chong-il, who ordered the Chongnyu Bridge built in the second stage and the Kumnung Tunnel No. 2 in Pyongyang and is leading the construction at the head, all our people can see the benevolent image of our leader, who devoted his whole life for the people, considering the slogan "Serve the people as heaven" as his motto.

The great leader is indeed the dear comrade leader, and the respected and beloved General Kim Chong-il is our leader [suryongnim]. As the great leader did, our dear Comrade Kim Chong-il elucidates the most scientific and revolutionary way ahead of the revolution in the stream of complicated and difficult situations; sternly punishes any strong enemy, with his peerless braveness and wisdom, and achieves historic victories; and demonstrates the dignity and honor of our country and the nation all over the world.

Looking up at him, all the first, second, third, and fourth generations of the revolution are hardening their pledge from the bottom of their hearts. Let us all uphold the dear Comrade Kim Chong-il's great ideologies and leadership, follow his great faith and will, and live and struggle for his welfare and longevity. As they did in the past, our people will eternally uphold the dear comrade leader and brilliantly consummate the chuche revolutionary cause pioneered by the great leader.

Korean U.S. Resident Visits Kim Il-song Statue

SK0512043394 Pyongyang KCNA in English 0407 GMT 5 Dec 94

[FBIS Transcribed Text] Pyongyang, December 5 (KCNA)—Son Won-tae, a Korean resident in the United States, visited the statue of the great leader President Kim Il-song on Mansu Hill in Pyongyang and observed a moment's silence after laying a wreath before it on December 3.

The ribbon hanging from the wreath was inscribed with the letters reading "the great leader Comrade Kim Il-song is immortal".

Mr. Son shed tears, overcome with grief, saying he could not repress the emotion, with the affectionate image of the great leader coming back in his memory when he was standing before the statue.

Noting that the great leader had no equal in the world, he said he would always remember the warm love of the leader.

Kim Il-song Foreign Affairs Achievements Lauded

SK0712045294 Pyongyang KCNA in English 0418 GMT 7 Dec 94

[FBIS Transcribed Text] Pyongyang, December 7 (KCNA)—The great leader President Kim Il-song had conducted energetic foreign activities in the idea of independence, peace and friendship, illumining the road ahead of the era of independence and powerfully encouraging the struggle of the world people for independence.

President Kim Il-song met and conversed with about 70,000 foreigners from 136 countries in his lifetime.

Among them were party leaders, heads of state, high-ranking political figures, public, acadevic and press officials and people of different strata.

According to the data reported, President Kim Il-song met with 230 heads of state and government from China, Cuba, Egypt, Bangladesh, Togo and other countries who visited Korea.

This year alone, he received the U.S. religious leader and his entourage, the delegation of the Communist Party of Uruguay, the deputy speaker of the State Duma of the Federation Council of Russia and his party and delegations and high-ranking officials of many other countries.

In June he met and had a long-hour conversation with former U.S. President Jimmy Carter to arrange an important guarantee which would bring a decisive turn in ensuring peace and security in the Korean peninsula and the world, and energetically worked with delegations and high-ranking officials of different countries on nearly 20 occasions.

He personally participated in the 85th general meeting of the interparliamentary union, the 13th World Festival of Youth and Students, the extraordinary ministerial meeting of non-aligned countries on South-South cooperation and other international meetings held in the DPRK and met with participants and posed for photographs with them in his lifetime.

At international meetings he published his famous works including "For a Free and Peaceful New World" and "To Prevent War and Preserve Peace Is the Burning Task of Mankind". And he gave overall answers to the questions raised by the editor of the French paper LE MONDE, Australian journalists, the managing editor of the Japanese politico-theoretical magazine SEKAI and other public figures who visited Korea.

He visited China, the Soviet Union, Indonesia, Mongolia, Yugoslavia, Mauritania, Algeria and other countries for the strengthening and development of the international communist and working class movements, for the non-aligned movement and for world peace and security and met and discussed major international political situation with Stalin, Mao Zedong, Ho Chi Minh, Tito, Sukarno and other heads of state and government of world-wide fame during those days.

In his lifetime he energetically worked with the Pyongyang- visiting group of former heads of state and government and statesmen of different countries, the wife of former prime minister of Japan and her party, and other foreigners of different strata irrespective of differences in ideology, idea, political views and religious beliefs.

He performed great exploits for the happiness of humankind and the development of the world revolution through his energetic foreign activities in his lifetime, so that humankind is overcome by bitter grief on his death.

Construction of Tomb of King Tangun Described

SK0312110694 Pyongyang KCNA in English 1054 GMT 3 Dec 94

[FBIS Transcribed Text] Pyongyang, December 3 (KCNA)—The grand tomb of King Tangun built at the foot of scenic Mt. Taepak on the outskirts of Pyongyang is being visited by an endless stream of his descendants.

The tomb of the Korean nation's first king 5,000 years ago represents the spirit of ancient Korea which was a powerful state in the east.

The tomb covering an area of 450,000 square metres was reconstructed in less than one year and the ceremony for its completion took place in October. This was possible under the wise guidance of the dear leader Comrade Kim Chong-il, who subordinates everything to the fulfillment of the great leader President Kim Il-song's behests with loyalty based on the sense of obligation and iron will.

President Kim Il-song said:

"Through the excavation of Tangun's tomb, our people found out the father of the nation and the Korean nation is now proud of being a mono-ethnic nation with Tangun as its father."

It was what President Kim Il-song intended to prove Tangun to be the father of the nation, the king who had been referred to as a mythical being in the history spanning several thousand years and build his tomb flawlessly. To our regret, however, he passed away without seeing the rebuilt tomb.

One day in mid-July when the whole country was overwhelmed with a deep sorrow, Comrade Kim Chong-il, who was very busy with all the affairs, big and small, of the party and the state, overcoming the grief at the tremendous loss, visited the bier of the fatherly leader President Kim Il-song and mourned his death and then met officials of the Committee for the Reconstruction of King Tangun's Tomb.

He said that President Kim Il-song's behests concerning the reconstruction of Tangun's tomb should be thoroughly fulfilled to quickly finish its reconstruction.

Comrade Kim Chong-il, who had constantly broken new grounds of knowledge with a deep insight into the 5,000-year-long history, always basing himself on the chuche-oriented stand, established with distinguished intelligence and clairvoyance many historical matters which had long been distorted.

When the remains of Tangun were discovered, he unsparingly provided up-to-date technical means and technical personnel so that Tangun could be proved in a scientific way to have been a real human being who existed 5,000 years ago.

He formed the Committee for the Reconstruction of King Tangun's Tomb with senior party and state officials and meticulously guided it to build the tomb as a monumental edifice to be handed down through generations by taking into consideration the background of the time and the traditional customs of the nation. Under his wise guidance, the tomb was built flawlessly in scale, style and historical content.

The tomb with a square bottom 50 metres long on each side and 22 metres high, which was built with 1994 neatly cut granite stones to signify the year of the reconstruction, five-metre high sword towers of pipa (Korean mandolin) shape which symbolized the culture of ancient Korea and sculptures of intrepid Korean tigers installed at each corner of the tomb, five-metre high and 1.8-metre wide sculptures of four princes and sculptures of eight loyal subjects standing in a dignified air before the tomb remind one of the proud first step taken by the Korean nation spanning 5,000 years and the developed culture in the early period of ancient Korea.

Comrade Kim Chong-il visited the tomb on October 29. Saying the great leader found out the father of the nation and took measures to flawlessly reconstruct his tomb so that the long history of the country and the resource of the nation might be handed down through generations, he stressed that this is a great event of the Korean nation.

He also said that because many compatriots in the North, South and overseas and foreigners would visit the tomb, establishments necessary for the visit should be built splendidly.

King Tangun's tomb lying at a scenic spot on the outskirts of the capital demonstrates to the whole world the long history and homogeneity of the Korean nation, highly praising the immortal feats performed by the respected leader President Kim Il-song, who exalted the greatness of the nation to the highest level.

Cadres Visit Kwangchon Foodstuffs, Other Plants

SK0612130094

[FBIS Editorial Report] Pyongyang Korean Central Television Network in Korean at 1105 GMT on 29 November carries a 20-minute report over video on a tour by Workers Party of Korea party and government cadres to Kwangchon Foodstuffs Plant and Kwangchon Disabled Veterans' Plastic Daily Necessities Plant and the homes of these plants's workers at the foot of Machollyong in Kwangchon on 27 November.

The announcer lists the names of the cadres on the tour without giving their titles. The names listed are Yi Chong-ok, Kim Yong- chu, Kim Yong-nam, Han Song-yong, Choe Tae-pok, Choe Yong-nim, Hong Song-nam, Yang Hyong-sop, Hong Sok-hyong, Kim Kuk-tae, Kim Chung- nin, So Kwan-hui, Kim Hwan, Kim Pok-sin, Kim Yun-hyok, Chang-chol, Pak Nam-ki, and Chon Mun-sop. The announcer also says that directors of the party Central Committee, chairmen and ministers of the State Administration Council, responsible functionaries of central organizations, and party secretaries were on hand.

At 1112 GMT the camera shows Finance Minister Yun Ki-chong being interviewed by a station reporter while touring Kwangchon Foodstuffs Plant. Yun Ki-chong says, "I am much impressed visiting this place. I have seen here once again how our functionaries are striving with the spirit of self-reliance to enhance the people's standard of living, upholding the will of the dear comrade leader. They built a 30-centimeter layer with soil on the sand on the seashore to make fertile paddy-fields. They built a raw material base, sowed corn, and made mulberry fields in an effort to solve the problem of foodstuffs. This is impossible without ordinary fighting spirit. They built mulberry fields and corn fields on the (?rocky slopes). I am very impressed by their extraordinary efforts to resolve the problem of people's living by building an abundant raw material base. I think there is nothing that we cannot achieve if we carry out our revolutionary work with so much effort."

At 1117 GMT, the camera shows Minister of Railways Pak Yong-sok, who is interviewed by the station reporter while touring Kwangchon Disabled Veterans' Plastic Daily Necessities Plant. Pak Yong-sok says, "Under consideration given by the dear leader Comrade Kim Chong-il, I have had an opportunity to visit Yonbaek Plain, Chonchon County Commercial Management Station, Maengsan County, and this place. Touring these places led me to think a lot. I came to believe that there is nothing our guiding functionaries cannot achieve if they do as told by the dear comrade leader. In particular, the functionaries here, as well as those in other places, strived hard upholding the party's self-reliance line. In particular, the party secretary, the manager, and other functionaries aroused the masses to struggle. Standing at their head, the functionaries set examples and showed by practice rather than by precept in order to attain great success as they did today. The functionaries, of whom women are predominant in number, built a raw material base of 150 chongbo and a power plant. Thus, with their own energies and raw materials, they did the work as the great leader taught in his lifetime. Therefore, as a functionary responsible for railways, I pledge to effect a revolutionary upsurge in railway transport, when I return, according to the party's intent and upholding the dear comrade leader's recent instruction that self-reliance is the only way to survival."

At 1118 GMT, the camera shows Kim Hwan, vice premier of the State Administration Council, interviewed by the station reporter. Kim Hwan says, "I am much impressed by the visits to Kwangchon Foodstuff Plant and Kwangchon Disabled Veterans' Plastic Daily Necessities Plant today. Through today's visit to these two plants, and through the experiences of many plants across the country, I have come to vividly feel the justness of the party's line on drastically increasing the production of the daily necessities for the people's living by effectively mobilizing and utilizing the local raw material sources, such as by utilizing mountains and sea wherever they are available depending upon the local features and characteristics. I pledge to devote all my loyalty and filial dutifulness in the future as well, upholding the wise leadership of the great leader [widaehan yongdoja] General Kim Chong-il by faithfully carrying out the task of central industry, particularly the chemical industry, in further strengthening and developing local industry to implement the party's agriculture-first policy and light industry-first policy."

The report concludes with the announcer reporting on the party and government cadres' visits to the homes of workers of these two plants.

Situation, Achievements in Farming Reported

SK0612062994 Pyongyang KCNA in English 0407 GMT 6 Dec 94

[FBIS Transcribed Text] Pyongyang, December 5 (KCNA)—Ploughing is now in full swing on the paddy and non-paddy fields of the co-op farms of South Hwanghae Province, which have finished harvesting and threshing in time.

The farmers in the province are now concentrating efforts on the immediate farm work, while making full preparations for next-year farming such as the repair and readjustment of farm machines, storage of water and the securing of fertilizers and rice seedling bed materials, true to the intention of the great leader President Kim Il-song in his lifetime.

South Hwanghae Province situated in the central western part of Korea is a major granary of the country.

President Kim Il-song had put his heart and soul into agricultural development in the province.

Over the past 45 years from November 1949 he gave teachings on more than 1,000 occasions as regards farming in the Province and gave on-the-spot guidance to many co-op farms.

In August last year, he went to the Yonbaek Plain adjacent to the Military Demarcation Line to teach its officials how to do farm work better.

In March this year, the president gave teachings, a highly important guideline for the agricultural development of the province and later sent hundreds of tractors, lorries and other farm machines and a large quantities of chemical fertilizers.

Under his meticulous care, the province has now turned into a large granary of the country with rice production as the main.

There are some 200 big and small reservoirs, about 4,500 pumping stations and dense irrigation networks in the province, which have completely solved the water problem.

Achievements in irrigation have been further consolidated with the building of the West Sea Barrage-Sinchon-Ongjin and Sinchon-Kangryong and River Yesong waterways in recent years.

Land rezoning took place in the Chaeryong and Yonbaek Plains and other areas and fields have been readjusted into standardized partition.

The acerage under cultivation increased by 50,000 hectares compared with the end of 1944 before liberation.

Farm work on all co-op farms is done by machines such as tractors, lorries, rice-transplanting and rice-plucking machines.

Agricultural production is on a steady increase.

Last year, the output of grain jumped 1.9 times, fruit 7.2 times, meat 2.6 times and cocoon 2.4 times as against those of 1964.

Release of 'Scientific' Films Reported

SK0712010694 Pyongyang KCNA in English 2236 GMT 6 Dec 94

[FBIS Transcribed Text] Pyongyang, December 6 (KCNA)—The Korean Scientific and Educational Film Studio has recently released scientific films.

The scientific film "Accessories Restored With Iron Plating" introduces a new iron plating method whereby to restore wornout accessories of trucks, tractors and other machines.

Contrived by Kim Chaek University of Technology, this iron plating method is a very useful method of restoring wornout accessories into useful ones with simple tools, neither using expensive reagents nor boiling the plating solutions.

Introducing the principle and method of creating an asymmetrical alternating current which is considered to be the kernel of the iron plating method, the film vividly shows how this current makes the surfaces of wornout accessories smooth and creates a strong and hard plating stratum.

Another scientific film "Sculptures of Horses of the Koguryo Dynasty Excavated in Cholyong" draws the attention of the people. This film shows how and when the recently discovered sculptures of horses had been buried in the site of the old wall in Cholyong, Kangwon Province, attracting the interest of the people.

Showing data of ancient documents and relics unearthed in Cholyong, the film explains the historical facts that the Koguryo people left the sculptures of horses in Cholyong, a military vantage adjacent to Paekje and Silla, around the third century A.D., reflecting their desire for the unification of the nation.

Another scientific film "phosphate fertilizer obtained from soot" introduces how to produce phosphate fertilizer from soot easily. This fertilizer richly contains soluble phosphor, multivalent elements and microelements which are vital to the growth of crops.

Besides, the studio released scientific films greatly conducive to the economic development of the country and to arming the working people with modern science and technology.

South Korea

DPRK, U.S. Differ at Liaison Office Talks

SK0712020094 Seoul YONHAP in English 0145 GMT 7 Dec 94

[FBIS Transcribed Text] Washington, Dec. 6 (YONHAP)—A difference of opinion surfaced Tuesday at the first day of Washington-Pyongyang experts' talks on exchanging liaison offices over allowing U.S. diplomats to travel by car between Pyongyang and Seoul through the truce village of Panmunjom, according to diplomatic sources.

The U.S. side asserted that, in the event Washington sets up a liaison office in Pyongyang, American diplomats manning the office should be permitted to travel by car between the capitals of North and South Korea through Panmunjom. The North Korean team, however, insisted that they should travel by way of Beijing, the sources said.

A North Korean official said: "Panmunjom is not a border, but merely a point in the Military Demarcation Line. It is nonsense, therefore, to call for free passage through Panmunjom by diplomats. One cannot travel through Panmunjom freely under the current armistice, which is yet to be replaced by a peace accord." He thus indicated that Pyongyang is willing to permit free passage through Panmunjom only after a peace treaty is concluded.

"Should American diplomats be permitted to travel freely through Panmunjom, wouldn't diplomats from other countries demand the same thing one after another?" the official wondered.

During Tuesday's expert-level talks, held at the U.S. State Department building from 9:30 AM to 4:30 P.M., both sides reportedly presented their respective positions on consular protection for nationals, privileges and immunity for liaison office staff, communications and documents, and the scope of activities of diplomats assigned to the liaison offices.

Their stands also differed on consular protection and the scope of diplomats' activities, according to the sources.

The North Korean official had this to say about Tuesday's meeting: "Each side explained its stand at the first-day meeting and earnest negotiations will begin tomorrow. With respect to the enforcement of consul functions, different positions emerged due to each side's different legal provisions."

Participating in the experts' talks Tuesday were five North Korean delegates led by Pak Sok-kyun, the Foreign Ministry's deputy director-general for U.S. affairs, joined by the country's minister at its UN Mission, Han Song-yol. The American delegation was headed by Lynn Turk, the State Department's North Korea officer, and comprised staff members from the department's legislation office and consul bureau.

In the talks lasting until Friday, the U.S. delegation will emphasize the need to resume inter-Korean dialogue on the ground that easing tension between the two Koreas is essential for the opening of liasion offices, the diplomatic sources said.

The North Korean delegates declined to answer questions posed by South Korean reporters prior to entering the conference room. State Department Deputy Spokeswoman Christine Shelly, meanwhile, voiced hope that the talks would go well.

Honam Oil on Successful Bid for North Contract

SK0712131094 Seoul KBS-1 Television Network in Korean 1228 GMT 7 Dec 94

[FBIS Translated Text] The ROK's Honam Oil Refining Co. will supply North Korea with 50,000 tonnes of bunker C oil at the cost of 3.4 billion won. This is the first batch of the planned amount of heavy oil the United States is supposed to provide to North Korea according to the agreement between the United States and North Korea.

The Honam Oil Refining Co. stated that it made a successful international bid, at $14 per barrel, which was called by the U.S. Defense Ministry Oil Supply Bureau late November and that it is going through government procedures to discuss the oil supply to North Korea.

Link Between North-Germany, N-S Ties Viewed

SK0712015094 Seoul YONHAP in English 0051 GMT 7 Dec 94

[FBIS Transcribed Text] Berlin, Dec. 7 (YONHAP)—South Korea and Germany agreed Tuesday that diplomatic normalization between Germany and North Korea would be pushed in line with improvement in inter-Korean relations.

The agreement came in Bonn where visiting South Korean Deputy Premier and National Unification Minister Yi Hong-ku had a series of talks with Federal Minister of the Chancellery Friedrich Bohl, ruling Christian Democratic Party Floor Leader Wolfgang Schaeuble and Home Minister Manfred Kanther.

Yi told reporters after the meetings the German Government was in accord that North Korea must meet all of its obligations under the Nuclear Nonproliferation Treaty (NPT) and the Pyongyang-Washington pact reached in Geneva last October.

In addition to the existing high-level policy consultative talks, the two countries also decided to create a bilateral meeting attended each year by director-general-level officials in charge of national unification affairs.

Yi will leave for Seoul Wednesday afternoon aboard a Korean Air (KAL) flight.

Polish President Views Economic Ties, DPRK

SK0712135494 Seoul KBS-1 Television Network in Korean 1229 GMT 7 Dec 94

[Report on interview with Polish President Lech Walesa by KBS at the Presidential Palace in Warsaw, Poland; date not given]

[FBIS Translated Text] Polish President Lech Walesa, who will visit the ROK on 9 December, had an exclusive interview with KBS before his departure for Seoul, and in the interview he stated that, when full-pledged production of ROK goods in Poland begins, the scale of trade between the two countries will be increased more than five times. Correspondent Yi Hong-ki is going to report the details:

[Begin Yi Hong-ki recording] In the interview with KBS, Polish President Walesa noted that trade is not sufficient for economic cooperation between the ROK and Poland because the countries are far away from each other geographically. He said optimistically that, when ROK enterprises advance into Poland and produce goods in Poland in a full scale, economic exchange between the two countries will rapidly increase in a short period of time.

President Walesa viewed that the coming 21st century will be the age of the Korean peninsula's reunification and expressed his critical position on the North Korean nuclear issue, stressing that everyone should control the use of dangerous nuclear weapons that can destroy everything.

President Walesa said: If the two countries' peoples, who are patriotic and have long cultural tradition, cooperate each other, they can make contributions not only to the development of the two countries, but to that of many other countries.

I have been reporting from the Presidential Palace in Poland. [end recording]

KFSB Central Committee Meets on N-S Issues

SK0712080794 Seoul HANGYORE SINMUN in Korean 7 Dec 94 p 8

[By reporter An Chae-sung]

[FBIS Translated Text] The Central Committee of the Korea Federation of Small Businesses [KFSB] held the second meeting of the Council of North-South Economic Exchanges for Small Businesses at the KFSB Hall on 6 December to discuss technical matters of its plan to contact North Korean officials related to North-South economic cooperation.

KFSB decided to initially send Auditor Chang Chong-sok to Beijing in December to contact North Korean officials. When discussions on economic cooperation show some progress, the federation will consider a meeting between KFSB Chairman Pak Sang-kyu and high- ranking North Korea officials, and opening a branch office in Pyongyang. KFSB notified its member companies that the federation plans to hold seminars on doing business in North Korea, send a survey team to North Korea, and invite North Korean economic officials to a forum.

DPRK Labor Productivity Reportedly Drops

SK0712074194 Seoul SEOUL SINMUN in Korean 7 Dec 94 p 3

[By reporter Ku Pon-yong]

[FBIS Translated Text] It has been learned North Korea's labor productivity has decreased significantly as the North Korean economy has been undergoing an extended depression.

According to a report on the North Korean economic situation released by the National Unification Board on 6 December, North Korea's average production index, which represents per capita labor productivity, decreased by 28.6 percent compared to that of 1986, the index base year.

A per capita average product index is an index involving the real GNP divided by the number of people involved in economic activities. This index dropped to 94.2 in 1990, 85.4 in 1991, 76.3 in 1992, and 71.4 in 1993.

This means the so-called "socialism of our own style," which relies on labor, has reached its limits.

A National Unification Board official said: "There is no incentive to make profits in North Korea, and party and government officials are corrupt. These are major causes for the decrease of labor productivity."

He also said: "As North Korea is short of investment capital, it is difficult for it to expand its social overhead capital facilities. Therefore, North Korea excessively mobilizes work force. This further precipitates its average production index."

DPRK Official Discusses Inauguration Date

SK0712013494 Seoul MAEIL KYONGJE SINMUN in Korean 7 Dec 94 p 2

[By correspondent Kim Tae-ho from Washington]

[FBIS Translated Text] The formal inauguration of the Kim Chong-il system is reportedly to take place in North Korea toward the end of January or early February of next year.

This was confirmed in 6 December remarks made by Pak Sok-kyun, deputy director of the North Korean Foreign Ministry and the first North Korean official to visit Washington, to members of the association of Korean Americans whose origin is North Korea, and other pro-North associations.

Deputy Director Pak met with members of the Association of Korean Americans from Hamgyong Province at Dulles Airport in the outskirts of Washington, and requested that they send a large-scale congratulatory delegation to Pyongyang toward the end of January or in early February 1995. A member of the Association of Korean Americans from Hamgyong Province said: "We had hoped to send a mourning delegation after Kim Il-song's death but received no reply from North Korean authorities. On 6 December, Deputy Director Pak officially proposed that we instead form a congratulatory delegation to visit the North around the end of January or early February of next year."

He added: "Although Deputy Director Pak did not make any specific references, it appears that the Kim Chong-il system will be officially inaugurated around then, and that plans for a lavish inauguration ceremony are underway." The Association of Korean Americans from Hamgyong Province, and the Washington chapter of the Council for the Peaceful Reunification of the Fatherland have begun to form a congratulatory delegation among Korean Americans originally from North Korea.

* Qualifications of Kim Chong-il Evaluated

942C196A Seoul HANGYORE 21 in Korean 4 Aug 94 pp 36-39

Article by Bogdanov Ivan Ivanovich, former diplomat who served as first secretary for economic affairs at the Soviet Embassy in Pyongyang 1989-1993, Oriental Studies Research Center Science Academy of Russia, PhD in Economics (History of North Korean Economy)

[FBIS Translated Text] In any country the personality of a politician plays an important role. Especially in a country like the Democratic People's Republic of Korea where the totalitarianism of the existing system is evident and the entire society is placed in a dangerous situation, the personal character of the new leader Kim Chong-il is literally decisively important. It is no doubt that the character or the personality of the 'dear leader' will directly affect the country's destiny as well as his own destiny. Could Kim Chong-il stay at the top of the power structure? If there is such a possibility, to where would he lead the North Korean society? We are placed under the circumstance that we must give serious thoughts to these matters. Without such efforts human society shall pay an excessively dear price for the unanticipated act of Pyongyang, which holds the potential possibility of nuclear armament. The historic scope of the personality owned by the dead 'great leader' was an objectively outstanding one , which cannot be surpassed by anyone within the Democratic People's Republic of Korea, including Kim Chong-il. Therefore, Kim Chong-il's exceptional, intentional, and extensive campaign, which could never have been seen in our times, to train his own son as the successor of the throne of the so-called workers' party and the People's Democratic Republic left a great trace on the personality of the 'dear leader.'

Deserves Recognition for Innate Talent

Kim Chong-il is remembered as an introverted youth who easily showed shyness to Russians who met him in the late 1950's and early 1960's. It is an obvious contrast to not only the depiction of him by the North Korean propaganda publications which praise him as having a hero's features and as a genius but also to the intentional reports by western press which talk about a psychological unbalance, acts lacking common sense, cruelty, and the slyness of the 'Communist prince."

However, looking back on the life journey the 'beloved leader' has made, it is believed that in most cases he has average talent, but historically he is very similar to the rulers of different times and different races who obtained the privileged position merely by the blessings of birth. It is common that such rulers did not leave any memorable achievements among their own races or in history. On the contrary, such rulers left excessively dangerous and tragic traces when excessively absolute power was give to them.

Either in view of his inborn talent and his experience obtained as a national leader or in any other aspect, there is no doubt that Kim Chong-il will receive a very high mark compared to ordinary rulers of different times and different nations. However, up until now Kim Chong-il had to devote his life to the mission of growing up to the level of 'genius' by essentially imitating the 'great leader', while under his shadow. There is no doubt that such a task to an ordinary person who did not have an unusual talent was an excessively difficult task, which would deform one's conscience and soul. These very facts are the sources of problems of the past and the future of the 'beloved leader.'

Looking into whether Kim Chong-il has reached his father's level of 'genius' at this time when the 'great leader' is dead, his growth and preparedness seem doubtful. Let us take his ideological activities for an instance. As is known to all, Kim Chong-il has practiced in the secondary area such as movie arts and music for a long time. It has not been long since Kim Chong-il began to involve himself with the chuche philosophy, which was his fathers' privileged area. Kim Chong-il has not discovered any new theories in principle through his own activities in this area.

Criticized for Lack of Ability for Management

It seems that the reason Kim Chong-il did not involve himself in the development of 'quasi-philosophy' was due to his judgment and realism rather than because he did not have such a talent.

The dead 'great leader' has obviously evaluated critically his son's ability to manage the country. This is clearly proven by a series of reprimands Kim Chong-il received from his father. Along with this, we should bear in mind that all the activities of the 'beloved leader' in the past were totally focused on the specific goal of obtaining social authority, gaining experience as an organizer of national management, and building bases for his own personal power. Superficially, it seems that Kim Chong-il achieved a great result in such areas. It seems that with the sudden death of Kim Il-song, Kim Chong-il automatically succeeded to the highest position of the party and the country. However, it may be possible for us to suspect that in many aspects it was possible for Kim Chong-il to succeed to the power because of the society's habit of loyalty to the holy authority of the 'great leader.'

Even the chuche ideology cannot stop the time from elapsing and prevent the true devotion of loyalty for Kim Il-song from disappearing from the memory of the people. There is no doubt that only then the objective meaning of the 'beloved leader's' national management activity will become clear. In fact, the untiring efforts of Kim Chong-il to guide the huge campaign called 'reformation of nature,' the actual economic results of the construction of the super-size industrial facilities and the construction of cities to intensify the self-reliance and independence of the national economy is literally miserable. The sad symbol which reveals the limit of the economic management ability of the new North Korean leader is Pyongyang's 105-story 'Ryukyong' Hotel which has been left uncompleted for a long time and is showing only its skeleton frame. Here we cannot but look into and try to find out what was the more serious problem. Was it due to ignorance to try to obtain happiness for the entire people through a 'grand construction' with serious but idle hope? Or was it due to the vulgar attitude of considering painful labor by the ordinary people of North Korea unimportant in order to satisfy his own personal political pride? Of course, as a politician Kim Chong-il does not necessarily have to be an economic management leader, in spite of the socialism-style customary expression that economy is the most important politics in a country like the Democratic People's Republic of Korea, which is going through a difficult time. However, even in such cases as these, past experiences make us doubt if Kim Chong-il has the most important quality—the quality to select an able manager group for the top organizations, which can make demands to the highest society- and economy-minded superior - of being a good, quality politician. In view of this, only the reputation that associates all 'reformists' in North Korea as a few countable close associates of Kim Chong-il give us a hope. However, these activists show somewhat paradoxical views and approaches.

Expect the North Korean Reformist Faction To Make Progressive Changes

Generally, Kim Chong-il himself and his supporters show a tendency to always prefer an administrative-like and authoritative management style. They have indulged in giving orders which place the national interests on a higher priority rather than satisfying the urgent material and social needs of the people. However, the current historical situation does not promise Kim Chong-il the possibility of repeating the Kim Il-song policies of the past. What is worse is that even the dead leader himself in fact could not 'squeeze out' anything further from the chuche ideology, which suffered damage due to a 'betrayal' by the socialist allies of the past years. Moreover it is far more difficult to believe that Kim Chong-il, who does not have the absolute power of the political authority and charisma like his father, can achieve anything from the old approach. To survive reform is inevitable for the young leader of the Democratic People's Republic. The entire North Korean society, which is exhausted from the long dictatorship of Kim Il-song, is replete with these hopes. The logic of the situation will dictate Kim Chong-il to understand that he can win the confidence and popularity of the people, especially the youths, and at the same time alleviate the dangerous potentials of discontent against the regime by granting small but frequent generosities and making gradual but progressive changes in the social and economic areas. The problem is that it depends on whether the 'beloved leader' will advance in such approaches or will repeat the social development approach of the orthodox chuche ideology. Up to this time, Kim Chong-il has never shown his own capability of making an appropriate and fundamental political decision by making a precise judgment of the created situation. A few years ago, when Kim Il-song surprised the world by withdrawing the previous principles that two Koreas cannot be permitted to join the United Nations, he made the decision by himself, preventing his son from being involved in establishing real national political strategies. Kim Chong-il's relative independence on overseas political activities is demonstrated by the international terror activities ordered by him. However, all these only affected badly not only on the Democratic People's Republic of Korea but on the reputation of the 'beloved leader' himself. However, the fact that Kim Chong-il has refined ability to satisfactorily regulate personal relations and adroitly manage people, has important significance in looking at the short-term future of the formation and solidification of Kim Chong-il's single power system. Presently, he maintains close personal relations with key members of the high-ranking positions of the power including O Chin-u, the second ranking man in order and has complete knowledge of 'royal court life.' Utilizing this, he has complete understanding of the 'royal court life' and demonstrates an ability to promptly respond to it. Speaking in general, Kim Chong-il has the ability to demonstrate proper flexibility and diplomatic capabilities and restrain himself in demanding situations. It is only a simple episode but regretfully there was an event of protocol violation at a reception held for personnel of the old Soviet Embassy in Pyongyang. Kim Chong-il had arrived before the foreign ambassadors arrived. Therefore, his dignity as the guest of honor was greatly damaged. However, the coolness and broadmindedness shown by the 'beloved leader' contrasted extremely with the pale faces of the Soviet and the North Korean protocol officials.

Considering the North Korean Situation, He Will Seek Compromises

Like general predictions, it is likely that Kim Chong-il will have no choice but to make compromises in order to respond to the objective foreign and internal situation. It is hard to believe that he will take any extreme measures. The model of Chinese style 'market socialism' is considerably popular among the politicians of the 'Kim Chong-il Era', and there actually are numerous signs that this model could partially enter the stage of experimentation. Kim Chong-il already has control of the national power structures including the military, but he will make efforts to continuously be able to control it in the future, too. The fact that he personally confers medals to the highest-ranking government officials and encourages them in other methods shows that the 'beloved leader' has mastered well his father's political science of solidifying a solid power foundation at the military, security organizations, and other political ideological organizations. However, he must make the maximum efforts and mobilize the entire political will in order to make these mechanisms continuously operate normally under new conditions. Diverse classes of ruling groups in North Korea may consider Kim Chong-il as the guarantor for stabilizing the 'chuche system' which guarantees their social privileges. However, North Korea's current situation is very difficult. Especially, controlling the general public will be considerably difficult. If Kim Chong-il could solve all these problems, he could enter the world stage as an able politician matching his own father.

Han Envisions World Order Based on Economics

SK0712020394 Seoul YONHAP in English 0134 GMT 7 Dec 94

[FBIS Transcribed Text] Seoul, Dec. 7 (YONHAP)—Foreign Minister Han Sung-chu presented a new, post-cold war paradigm Wednesday where economic issues shape world affairs and where market economies, a communications revolution and business re-engineering abound.

The confrontation between capitalism and socialism has ended, "but a new paradigm to replace this dead paradigm has not yet taken root," Han said in a luncheon speech to the Federation of Korean Industries (FKI).

"The prediction that economic issues will basically form the new paradigm earns much credibility," he said.

He backed up this prediction by citing three phenomena—the global spread of the market economy, revolutionary developments in telecommunications and business process re-engineering.

Both the government and private sectors assume new responsibilities in this new paradigm—companies are the main players, but it is up to governments to decide international rules, making sure that national interests are best reflected and ensuring that the rules are observed, the foreign minister said.

He laid out five future tasks for businessmen, starting with a "mind that knows the international flow and tries to adapt."

Industries must actively participate in forming international rules, invest in infrastructure to strengthen their international competitiveness, assume a key role in the Asia-Pacific Economic Cooperation (APEC) forum and promote an entrepreneurial spirit.

Rejects Special WTO Law

SK0712114094 Seoul YONHAP in English 1116 GMT 7 Dec 94

[FBIS Transcribed Text] Seoul, Dec. 7 (YONHAP)—Foreign Minister Han Sung-chu on Wednesday rejected the idea of legislating a special Uruguary Round [UR] implementation law.

"In the country we have had no precedent for implementing an agreement covering extensive areas through the legislation of a single special implementation law," Han said.

Testifying at the National Assembly Foreign Affairs and Unification Committee that was reviewing a WTO (World Trade Organization) ratification bill, Han said the WTO agreement requires the enactment of or amendments to a total of 48 domestic laws.

Therefore, he said, the government has resolved to cope with the situation by amending relevant laws and legislating separate laws on an individual basis.

The minister also said the country can hardly resume bilateral negotiations with the United States for modifying conditions of market opening.

"At least until the WTO agreement takes effect, there is no room for regotiations for reducing the extent of our market opening at this time when UR negotiations have officially been wound up," he said.

Han said that after the inauguration of the WTO, however, it is possible to go into negotiations to change the contents of the existing concessions under the GATT (General Agreement on Tariffs and Trade).

Turning to the issue of inter-Korean commodity deals, the minister said the government originally planned to declare South- North commodity deals to be intranational deals at the time Korea's ratification of the WTO agreement is deposited with the WTO Secretariat.

"But, we have decided that this idea is not proper," said Han, adding that even if such declaration were made, it would be a mere one-sided declaration by Korea without any binding force upon WTO.

He said a declaration, if made, may also set off formal debate at the WTO on the issue of inter-Korean deals, which may result in a consequence unfavorable to Korea.

Therefore, Minister Han said, the government would deal with the matter taking into account the facts that the two Koreas declared their commodity exchanges to be intra-national deals in their basic agreement of 1991 and that commodity deals between East and West Germanies were recognized as intra-national acts.

"We will have bilateral talks with major countries so that this issue will not be raised formally at the GATT," the minister added.

Parties Begin Behind-Scenes Negotiation on WTO

SK0712071794 Seoul YONHAP in English 0602 GMT 7 Dec 94

[FBIS Transcribed Text] Seoul, Dec. 7 (YONHAP)—The ruling and opposition parties are meeting behind the scenes to try to narrow their differences over legislation ratifying the creation of the World Trade Organization (WTO), informed sources said Wednesday.

The ruling Democratic Liberal Party (DLP) is holding active negotiations with the opposition Democratic Party (DP) on the WTO bill, in an apparent effort to ease the latter's heavy criticism for railroading the 1995 budget bill, a DLP official said.

Late last week, the DLP rammed the budget bill through the National Assembly regular session without any opposition parties attending and has been under fire ever since.

The DP, which tentatively maintains that it does not oppose ratification of the WTO bill unconditionally, may agree to discuss adding complementary measures to the bill.

Rep. Yi Sang-tuk, DLP's chief policy coordinator, and Rep. Kim Yong-chin, chairman of the DP's subcommittee for measures to cope with the Uruguay Round [UR], met Tuesday to discuss adjusting their differences.

Floor leaders of the two parties also got together Wednesday but there has been no progress yet, a source said.

One conciliatory gesture the DLP is studying would have the National Assembly adopt a resolution urging the government to strive to protect domestic agriculture in the process of implementing the UR accord.

A second measure would ask the National Assembly to establish a special committee to deal with various problems caused by the WTO, according to a DLP source.

In contrast, the DP held an executive committee meeting Wednesday to reaffirm its current position that the party cannot agree to ratify the WTO accord unless the DLP accepts four preconditions—enactment of a special law to implement the UR and renegotiation of conditions for market opening with the United States, for starters.

The DP also supported a special bill for UR implementation stipulating that the WTO agreement cannot violate domestic law and Korea's economic sovereignty and will introduce the bill in the National Assembly.

The DLP, however, stands opposed to enactment of the special law.

Expansion of Foreign Investment Strengthens Won

SK0712071994 Seoul YONHAP in English 0300 GMT 7 Dec 94

[FBIS Transcribed Text] Seoul, Dec. 7 (YONHAP)—South Korea's recent expansion of the ceiling on foreigners' stock investment here strengthened the won considerably against the U.S. dollar, putting a damper on the profitability of exports, the Bank of Korea and other financial sources said Wednesday.

In addition, the opening of the country's capital market and foreign exchange market liberalization next year are expected to further increase inflows of foreign currency and fuel inflation of currency and commodity prices, according to the sources.

Foreign currency poured into the South Korean stock market before and after Dec. 1, when the government raised the ceiling on foreign stock investment, dropping the basic rate of exchange from 796 won to the dollar on Nov. 21 to 791.30 won per dollar on Tuesday at the market average exchange rate, which falls on the basic exchange rate the next day.

That is a 2-percent drop from the 808.10 won recorded at the end of last year. It also means that the payability of South Korean exports worsened by 2 percent while that of imports improved an equal amount. Consequently, imports will apparently be encouraged while exports may be discouraged, the sources said.

Especially, the government plans to further expand by 3 percentage points the ceiling on foreigners' stock investment next year and liberalize the foreign exchange market, raising the surplus in the balance of capital to 18 billion U.S. dollars—twice as much as this year.

The won will therefore continue to gain strength next year, the sources said.

The massive inflow of foreign currency will also decisively affect currency management. If the surplus in the balance of overall payments reaches 13 billion dollars, currency inflation caused by foreign currency inflows may hit 10 trillion won, according to the sources.

The Finance Ministry expected that the foreign exchange market liberalization would increase inflows of foreign funds by 14 billion dollars to 20 billion dollars annually from next year through 1999.

The sources said the Bank of Korea is studying ways to smoothly manage currency through various measures including the issuance of monetary stabilization bonds.

Implementation of Government Restructuring Ordered

SK0712072194 Seoul YONHAP in English 0540 GMT 7 Dec 94

[FBIS Transcribed Text] Seoul, Dec. 7 (YONHAP)—Prime Minister Yi Yong-tok ordered Wednesday that the extensive government restructure be implemented in line with its original aim and that the social positions of affected public servants be protected.

Taking a tour Wednesday morning of the Finance, Construction and Transportation Ministries and the Economic Planning Board (EPB) at the government complex in Kwachon, the premier called on officials there to fill any administrative vacuum resulting from the reorganization.

"The need to reorganize the government was raised a long time ago and it's true that we are not able to address pending issues completely with the current system. Taking such issues as deregulation for globalization into consideration, the government remodeling is indispensable," Yi said.

He added, "It's government policy never to lose anyone in the course of the restructure and a solution for surplus personnel can be found, for instance, by providing overseas training for one or two years."

Vice Premier-EPB Minister Hong Chae-hyong reported that officials at each ministry evaluated the current reorganization positively given the necessity of rearranging state tasks efficiently and easing restrictions to realize globalization.

Saying that unrest among officials has indeed surfaced in the wake of the merger and abolition of government agencies and posts, the vice premier told his boss that he would persuade them to take things in stride.

Finance Minister Pak Chae-yun reported to the premier that his ministry is going ahead with business as usual despite the reorganization.

Job Loss Caused by Restructuring Plans Viewed

SK0712064294 Seoul YONHAP in English 0223 GMT 7 Dec 94

[FBIS Transcribed Text] Seoul, Dec. 7 (YONHAP)—The downsizing guidelines for restructuring that the Government Administration Ministry announced Tuesday will cause hundreds of central government officials to lose their present jobs and spark unrest about their careers.

Under the guidelines, nearly 30 divisions involving over 200 officials at the Economic Planning Board (EPB) and the Finance Ministry will be axed when the two agencies merge into the New Board of Finance and Economy.

There are now 96 divisions in the two agencies and the guidelines call for slicing overlapping jobs, or doing away with eight division director-level posts in the two agencies.

In addition, the EPB will see at least six divisions of the economic planning and industrial policy coordination bureaus disappear, as these two bureaus are to become one bureau. The merger of the board's international policy coordination bureau with the Finance Ministry's economic cooperation bureau will eliminate at least four divisions of these two bureaus.

The Finance Ministry must also do away with at least nine divisions related to financial policy, banking, securities, insurance, international finance and taxation, as these fuctions are to be merged into the new Board of Finance and Economy.

The divisions of the EPB and the Finance Ministry falling prey to the cabinet reorganization number at least 27, and because these ill-fated divisions have around 10 officials each, at least 250 officials will lose their present jobs.

However, some of these officials at the EPB are expected to move to the Fair Trade Commission, which will be expanded, a prospect much better than that facing the Finance Ministry.

The Construction and Transportation Ministries must also trim several divisions as they are to merge into the new Construction and Transportation Ministry, while the Home, Education, Trade-Industry- Energy and Agriculture-Forestry-Fisheries Ministries must make sizable cuts in their staff strength.

Furthermore, the promotion expectations of senior division director-level officials have been shattered by the guidelines as they call for no promotions whatsoever for the time being.

Samsung Announces Plans To Invest in Cholla

SK0712021894 Seoul THE KOREA HERALD in English 7 Dec 94 p 8

[FBIS Transcribed Text] The Samsung Business Group plans to make large investments in the Cholla provinces in an apparent bid to stifle mounting opposition against its entry into the passenger car industry.

The group said yesterday it will pour 10 trillion won by the year 2000 to finance projects in the provinces.

The envisaged projects include a plan to develop the outer quay of Mokpo Port in South Cholla Province to build a car plate glass plant, the group said.

The announcement came the day after the Samsung Group submitted to the Ministry of Trade, Industry and Energy a plan Tuesday to introduce car technology from the Japanese car manufacturer Nissan and produce passenger cars.

The formal application the to assemble passenger cars has touched off angry protests from the existing six automakers, which claim Samsung's entry would have a damaging impact on the domestic passenger car industry, including the undermining of competitiveness in the industry.

Under the plan, Samsung will spend 4.3 trillion won over the next eight years to build a passenger car assembly plant at the Shinho Industrial Complex in Pusan, the political stronghold of President Kim Yong-sam.

The announcement of the development plan for the Cholla provinces is aimed at creating a favorable atmosphere for obtaining government permission for the group's plan to muscle into the passenger car industry, industrial analysts say.

Samsung Car, Small Truck Production Approved

SK0712031094 Seoul YONHAP in English 0247 GMT 7 Dec 94

[FBIS Transcribed Text] Seoul, Dec. 7 (YONHAP)—The government on Wednesday approved the Samsung Group's plans to produce passenger cars and small trucks, enabling it to enter the automobile business.

Trade, Industry and Energy Minister Kim Chol-su told reporters the government had decided to accept plans by Samsung Heavy Industries to import Japanese technical know-how for automobile manufacturing after closely studying the plans.

Noting the government had extensively studied what effect the new entrant in the car industry would have on the country's efforts to become a major auto producer in the coming century, Kim said it had asked Samsung to contribute to sharpening the car industry's competitive edge on the world market while refraining from recruiting skilled workers from existing automakers.

Samsung pledged to meet the government-set requirements to hike exports, develop its own models with increased use of local parts and components, foster its own auto parts industry and train its own workers, Kim explained.

Samsung Heavy Industries will begin producing cars under a technical tie-up with Nissan Motor of Japan in 1998. The company will not scout workers at other Korean auto firms, while seeking foreign technicians and training workers in Japan.

It will receive parts from independent parts makers on condition that the supply does not disturb the established order of the auto parts industry, while developing its own parts industry.

The company plans to export 30 percent of production in the first year and increase exports to 55 percent by 2002.

In a related development, the government also gave the green light to Hyundai Precision and Industry Co.'s plan to produce mini- vans under a technical tie-up with Mitsubishi of Japan.

Impact of Market Entry Analyzed

SK0712084294 Seoul YONHAP in English 0730 GMT 7 Dec 94

[By Kim Myong-chol]

[FBIS Transcribed Text] Seoul, Dec. 7 (YONHAP)—The Samsung group's entry into the car industry is expected to have a considerable impact on the group's future, as well as on the business community as a whole.

With an unlimited "trade war" in the 21st century just around the corner, Samsung has laid a footing upon which to make another takeoff as a global business in the automobile sector.

The government's green light Wednesday for its car production plan gave all members of the Samsung family a sense of confidence in the group's future, as they feel the projected car business will enable the group to compete squarely with, and even defeat, its archrival in the heavy and chemical industries, Hyundai.

Last year, Samsung posted domestic market sales totaling 43 trillion won, or about 54 billion U.S. dollars, against Hyundai's 39 trillion won. But the booming heavy and chemical industries, in which Hyundai is much stronger than Samsung, are expected to help Hyundai outdo Samsung this year.

Moreover, the surging Japanese, Taiwanese and U.S. semiconductor industries abroad and Hyundai's gains in this sector at home threaten Samsung as the world's leading semiconductor supplier.

As a result, Samsung fears that without the car business it would become a second-rate conglomerate in the country.

Venturing into the car industry will enhance group Chairman Yi Kon-hui's status as a business tycoon not only in Korea but also in the international trade community.

Upon taking the helm at Samsung in December 1987 after the death of his father, Yi Pyong-chol, who founded the group, Yi Kon-hui declared the group's advance into the heavy and chemical industries, followed by the group's launching of a petrochemical business in 1990.

Scoring another coup, he has just succeeded in entering the car industry, breaking through the resistance put up by existing automakers and their supporters in the government and demonstrating his savvy as an aggressive entrepreneur.

Samsung's foray into the automobile industry can be seen as having paved the way for business autonomy from a far-reaching perspective. With the existing carmakers' opposition overcome, it has met the community's never-ending call for the freedom of corporations to start a new business and stop a going one.

The business community takes the government's green light for Samsung's plan as a sign of an industrial policy tilting toward establishing a free competition system amid the on-rushing globalization of trade.

Some government officials have already predicted that the policy of requiring business groups, or chaebol, to specialize in a few selected industrial sectors will be done away with shortly.

Viewed thusly, Samsung's entry into the car industry can be regarded as a total government surrender to the business community and its demand for autonomy, discarding its almighty power to determine the fate of a business corporation.

Considering that chaebol are not behind the government in terms of information gathering, planning and funding, the business community wants the government to create a business climate that favors free competition.

In fact, many business leaders believe that the government, Samsung, existing carmakers and other related businesses should make a concerted effort to turn Samsung's new venture into an opportunity to sharpen further the industry's competitive edge on the world auto market in the long run. In the short run, the government and Samsung should take joint measures to address the present carmakers' grievances about Samsung's chipping away at their business.

The most important and urgent task facing Samsung at this juncture is rebuilding public trust in its business. It must fulfill the many pledges it has made to the public and other automakers in order to enter the car industry.

Samsung has told many lies: It was only a few years ago that it said it would never produce cars. It has also been involved in industrial espionage. It is unethical for a business group to be involved in such dirty tricks.

Bearing all that in mind, Samsung must become a group that abides strictly by the code of business conduct in order to regain public trust before it starts producing cars.

Labor Unions Decide To Strike

SK0712110794 Seoul YONHAP in English 0851 GMT 7 Dec 94

[FBIS Transcribed Text] Seoul, Dec. 7 (YONHAP)—Reacting to the Samsung group's imminent advance into the passenger car industry, trade unions of carmakers Hyundai, Kia, Daewoo, Ssangyong and spare parts manufacturer Mando will go on strike Thursday morning.

In addition, three unions of motor service companies of Hyundai, Kia and Daewoo will join the strike after their members debate the pros and cons.

The decision was made at an outdoor rally attended by some 5,000 unionists from nine carmakers and spare parts manufacturers in front of the Kwachon government complex Wednesday afternoon, held to protest Samsung's entry into the passenger car business.

Earlier in the same day, the government accepted Samsung's application to introduce car technologies from Japan and gave the company the final go-ahead.

As the government took only two days to approve the technology- introduction application submitted by Samsung, the group is well on its way to entering the passenger car business, Kia Motors Corp. labor union leader Yi Chae-nam told a press conference at the rally. "Accordingly, some 100,000 workers of six automobile companies decided to go on strike and the walkout will continue until Samsung withdraws from the business."

At the two-hour outdoor meeting, the nine labor unions asserted in printed leaflets that the government should reconsider its decision immediately since Samsung's entry would deal a fatal blow to the competitiveness of existing carmakers in the international market.

"The participation of a new company will cause a reduction in the production and scale of the businesses, which have vertically affiliated relations with each other, and accelerate the fragmentation of the spare parts manufacturers," the leaders said. Moreover, "the growth of imported spare parts would deepen the trade imbalance with Japan."

They decided to go to Chongwadae [presidential offices] to convey their position and will stage separate company rallies across the country at 2:30 PM on Friday.

In the meantime, police deployed some 3,000 men around the rally site but no clashes occurred.

Restriction on New Market Entry Virtually Lifted

SK0712072994 Seoul YONHAP in English 0643 GMT 7 Dec 94

[FBIS Transcribed Text] Seoul, Dec. 7 (YONHAP)—With the Samsung business group getting the green light to produce passenger cars Wednesday, the government plans in principle to stop restricting new market entry into specific industries.

Trade, Industry and Energy Minister Kim Chol-su told a press conference Wednesday: "There will be no more restrictions applied on new market entries by means of disapproving an enterprise's plans for introducing foreign technology out of concerns about dual and excessive investment."

Kim made the remarks after announcing the government's acceptance of the Samsung group's plans to introduce passenger car technology.

The government will review foreign technology introduction plans in the future with emphasis placed on achieving fair contracts with foreign technology suppliers, he said.

Kim said that from now on the administration's industrial policy will focus on technological development, protection of the environment and balanced regional development.

Investment in the private sector will be consigned to free competition among enterprises and market mechanisms, with the government providing long-term industrial development perspectives and inducing rational investment by private firms, Kim said.

With respect to the Hyundai group's plan to build an integrated steel mill, the ministry considers it undesirable on the grounds that steel production technology relying on a blast furnace, as envisaged by Hyundai, is now outdated and that the steel industry is most susceptible to environmental pollution.

Controversy is thus expected to arise over the issue of equilibrium in enforcing government policy.

President Kim Urges Science, Technology Reform

SK0712071694 Seoul YONHAP in English 0509 GMT 7 Dec 94

[FBIS Transcribed Text] Pohang, Dec. 7 (YONHAP)—President Kim Yong-sam called Wednesday for aggressive self-reform in science and technology to promote research and development (R&D) productivity so that the country can raise its international competitiveness.

Without science and technology support, he declared, South Korea cannot acquire sufficient international competitiveness and without self-reliance on world-class technology, it cannot enter the ranks of advanced countries.

Kim made the remarks in a speech at a dedication ceremony for the Pohang light source, an advanced electron linear accelerator, held at the Pohang University of Science and Technology (Postech).

Kim emphasized the government will promote science and technology and said it believes that securing technological manpower is of prime importance to the nation's globalization program.

All organizations and regulations should be changed in a manner where each individual's nature is respected and his or her creativity is exercised to the maximum extent, he said.

"The government is to be revamped toward that end," Kim stated. "We will make a fundamental change in the administrative structure toward a small but strong government serving the people instead of regulating them."

He said the country's technology future is bright in view of the gigantic electron linear accelerator that has been designed and manufactured with Korean technology and manpower.

"The dedication of the electron linear accelerator will further develop Pohang city as the center of high-tech science," he said.

During the dedication ceremony, President Kim awarded medals to 13 people in recognition of their service to the Pohang light source project, including Prof. Yi Tong-yong of Postech.

The ceremony was held at the Postech campus with other dignitaries such as Science and Technology Minister Kim Si-chung and Postech President Chang Su-yong attending.

Boasting the largest-ever scale in terms of a single scientific project, the Pohang light source was financed with 150 billion won (about 187.5 million U.S. dollars) over the past seven years including 59.6 billion won from the government, 86.4 billion won from Posco (Pohang Iron and Steel Co.) and 4 billion won from other fields.

South Korea becomes the fifth country to have a third-generation super high-tech light accelerator.

Design work on the project continued from April 1988 to March 1993 and construction of the system and facilities was completed in late August on a site covering 65,000 pyong (one pyong equals 3.3 square meters).

Last October, engineers at the new facilities succeeded in generating peak energy of 2 billion volts and they are expected to offer a full-fledged supply of light source to users next August.

The accelerator system will contribute to life science and other applied science and industrial fields and to the manufacture of high-density semiconductors above the 256 mdram class and micro robots.

Brunei, Malaysia & Singapore

Malaysia

Mahathir 'Satisfied' With Investment in PRC

BK0612161094 Kuala Lumpur Radio Malaysia Network in English 1300 GMT 6 Dec 94

[FBIS Transcribed Text] Prime Minister Datuk Sri Dr. Mahathir Mohamed said he is satisfied with the level of Malaysia's investments in China. He, however, advises local companies to do things properly and safely in efforts to penetrate the vast and lucrative Chinese market. Malaysian companies should not expect to be treated in the same way as they are treated in Malaysia because the conditions are different in China.

He was speaking to newsmen after witnessing the signing of the second Nanjing-Yangtze River bridge project between the Nanjing Municipality and Berjaya Engineering and Construction HK Limited. The 1.2 billion ringgit project bridge, when completed by the year 2000, would be the world's longest spanned cable-stayed bridge at 1,100 meters.

When asked why many of the memoranda of understanding signed between China and the Malaysian private sector had yet to materialize into concrete ventures, he said it will take a bit of time for the projects to materialize.

Mahathir Wants New Set of Human Rights Values

BK0612144394 Kuala Lumpur Voice of Malaysia in English 0600 GMT 6 Dec 94

[FBIS Transcribed Text] A new set of values, especially on human rights, needs to be devised since the liberal views of the West on the subject and other issues do not provide the answers to the woes of today's world. Datuk Sri Dr. Mahathir Mohamed said everyone, including the bunch of Asians, must be allowed to make suggestions and contribute toward revising the new set of values, which might help resolve some of the present problems. It was timely to examine human rights since faith in modern civilization is half diminishing.

He said this in his keynote address at a two-day international conference on rethinking human rights in Kuala Lumpur. The conference, attended by 350 people from 60 countries, was organized by the Just World Trust. Datuk Sri Dr. Mahathir said although the world had advanced in science and technology with the ability to put a man on the moon and build intelligent machines, they are still quite uncivilized, for when it comes to killing each other, they are worse than animals. He said that since the end of the Cold War, a new international order was enunciated in which the powerful countries play the right to impose their system of government, their free market, and concept of human rights on every country. The Western powers declared that they had the right to interfere in the internal affairs of a country if there was evidence of a human rights violation.

Cambodia

Hun Sen Opens Australian-Built Telephone Exchange

BK0712060694 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 5-6 Dec 94 p 4

[Report by Samret S.: "Another Step in Telecommunications"]

[FBIS Translated Text] A major Australian telecommunications investment project in Cambodia has just been completed with the opening of the U.S. $15.02 million 5,000-line automatic exchange and 150 public phones of the Telstra Company. These facilities will be handed over to Cambodia in the next 10 years.

The Bayon International Telecommunications Center, an automatic exchange belonging to the Telstra investment group, was inaugurated on 3 December under the chairmanship of Second Prime Minister Samdech Hun Sen.

During the inauguration, Mr. So Khun, state secretary of the Ministry of Posts and Telecommunications, said the project is the fruition of the cooperation of the second phase of the contract between Cambodia and Australia'a Telstra. Under the contract, Telstra was to build the Standard A (1) satellite station as an automatic exchange with a capacity to handle 5,000 numbers with modern international line access. At the same time, the company has also set up 150 public telephones.

Mr. Charlie Zai, managing director of the Telstra group, also asserted: We have confidence in Cambodia's future and it is also our objective to continue expanding Cambodia's telecommunications networks so long as the Royal Government and people of Cambodia have confidence in the role of our company.

Cambodia has the lowest rate of telephone usage because most of the networks had been damaged by the war or have not been developed. The percentage of telephone users is only 0.12, compared with 0.08 percent in 1993.

Samdech Hun Sen, second prime minister, said with some glimmer of hope that at the beginning of 1995 the French Government may help build another 6,000-line telephone exchange. However, the main problem arises from the conditions of the existing cables that have been used for too many years. Therefore, we must think about the network of connections to users' homes. Concerning cooperation with Japan, which has sent JICA [Japan International Cooperation Agency] technicians to study the possibilities of developing downtown Phnom Penh and its suburbs, we still need more discussions.

The samdech also asserted that there are several companies that wish to invest in our country's telecommunications sector. But, we must carefully examine the contracts so that they will be beneficial to both sides, and especially so that we can ensure national security. The state is expected to keep a proper check on both local and international telecommunications networks.

Samdech Hun Sen added that in dealing with foreign companies the most suitable form of cooperation is the contract we now have with Telstra, where after 10 years Telstra will transfer its holdings to the Ministry of Posts and Telectommunications. The deal should be either in this form, where the facilities are built and then operated by the companies for a period of time before they are handed over to us, or where they are built and we take over the control and operation with the promise to repay material costs within a set period.

Hun Sen Stersses No Monopolies Allowed

BK0712095994 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 7 Dec 94 pp 1, 2

[FBIS Translated Text] Samdech Hun Sen said at a meeting on the privatization of the rubber plantations held at the Ministry of Agriculture, Forestry, Wildlife and Fisheries on 5 December: "Monopolies are not allowed for in the investment policy of the Royal Government of Cambodia [RGC], because Cambodia's economy is a free-market economy. A free-market economy requires competitive production. Therefore, the RGC is disallowing any monopolies in Cambodia's economic sector."

Samdech Hun Sen added that it would be difficult if there were monopolies in Cambodia's many important economic activities. The Samdech has learned about some problems concerning monopolies. For example, a group of Cambodian brothers bought four motor boats to open a transportation business across the Mekong River. But when they went to ask for permission from the Public Works and Transport, the official there refused and told them that a company had already been given a monopoly over this business on the Mekong River, and no other company would be allowed.

The Samdech added that the prime ministers, government, and ministers did not allow such monopolies, but the lower echelons did it secretly. This practice runs totally against the the RGC's policy.

REAKSMEI KAMPUCHEA once asked the officials of the Public Works and Transport about this matter, but all of them said they knew nothing about it. If the ministers do not know, it means that the lower ranking officials are acting against the law and carrying out secret activities without the knowledge of their superiors. It means that there is no honesty toward one another because the superiors do not know about the activities of their subordinates. It is expected that such a deceptive practice will no longer exist because it has already been exposed to the prime minister. The prime minister also said he would not allow such monopolies.

Samdech Hun Sen stressed that such monopolies must not exist any longer, even in the rubber plantation sector. If we allow only France to run our rubber plantation business, it will never be known whether it is progressing quickly or slowly. We will only know who is progressing at a faster rate when many countries join in.

* Pol Saroeun Views Political Situation

95P30018

[Editorial Report] The 28 September Phnom Penh KAOH SANTEPHEAP in Cambodian on pages 1 and 4 publishes a commentary by Lt. Gen. Pol Saroeun in the "Today's Opinion" column entitled "What Do the Cambodian People Want?", discussing the end of the armed struggle and the 1993 elections which meant "the building of a new Cambodia based on multi-party democracy." Pol Saroeun credits King Sihanouk with formulating the "path of peace and social development" which the government is following. He comments that the public most wants peace and security that come from the "careful reflection of politicians of all tendencies who are of good will." He adds that peace is not going to be achieved easily, citing "bandit" activity in the remote areas. In the "interior," Pol Saroeun saiys "the people want peace" and an end to "the continuing rifts and divisions." He notes that "no one is accusing this or that party of being good or bad" but that the people's top priority is "political stability" after which better progress is possible.

Pol Saroeun views public criticism of the government as "correct when done in the name of the voters which recognizes the value of legitimate democratic rights," but "this should not be carried to the extremes of unfounded accusations." Real stability "does not come from power-hungry politicians who then cause internal divisions," he states.

Ministry Issues Circular on Taxation of Imports

BK0612160494 Phnom Penh AKP in English 1010 GMT 6 Dec 94

[FBIS Transcribed Text] Phnom Penh AKP December 6—The Ministry of Economy and Finance of the Kingdom of Cambodia has issued a circular on taxation of all imported commodities.

The circular said tax must be levied on all goods to be imported into the Kingdom of Cambodia even by ministries, state institutions, provinces, or cities.

It said that tax reduction or exemption on imported goods could be done according to the principles of the Royal Government and to the existing laws and (?agreements).

The Ministry of Economy and Finance said, so far, tax reduction and exemption on imported goods requested by ministries, state institutions or cities and provinces have brought difficulties to the ministry in dealing with the state revenue and expenditure.

Khmer Rouge Opposes Kompong Som Casino Operation

BK0712020694 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 6 Dec 94

["Statement of the Ministry for the Defense of the National Culture, Literature, and Customs of the Provisional Government of National Union and National Salvation" issued on 5 December; place not given—read by announcer]

[FBIS Translated Text] I. The traitorous two-headed government recently announced its decision to permit foreign companies to operate a casino in Kompong Som.

II. The Cambodian nation and people together with the Provisional Government of National Union and National Salvation [PGNUNS] have solemnly denounced and condemned this decision of the two-headed government which most abjectly tramples on the clean ethics and fine tradition of the Cambodian nation and people. This casino is an instrument of the two-headed government, communist Vietnam, and the villainous alliance to annihilate the Cambodian nation's society and exterminate Cambodia's traditions and national soul through a military war, a demographic war with ethnic Vietnamese, and the proliferation of casinos and brothels.

This casino in Kompong Som is a breeding ground for corruption and vices of all kinds to be spread all over the Cambodian community. Cambodia is facing a war of the communist Vietnamese aggressors and alliance, a war that has caused misery and famine to the entire populace. Now, they are opening a casino in Kompong Som to attract Cambodians of both sexes, young and old alike, to work there in an attempt to pervert and poison their morals and to scuttle and degrade Cambodian society.

Besides, this casino is part of the opium and narcotics network, a bridgehead for contraband and smuggling, a hotbed of espionage, and a place where all types of bad elements are recruited. It contributes to transforming Kompong Som and Cambodia into the hellhole of Southeast Asia.

III. The traitorous two-headed government is doing this at a time when millions of Cambodians are starving and experiencing acute famine because of the rice shortage both in Phnom Penh and the countryside, where the people have neither paddy nor rice, neither seeds nor anything at all. Those in the two-headed government are living off the suffering and extreme misery of the Cambodian nation and people. Their only concern is to sell out, pillage, and destroy Cambodia and to kill and exterminate the Cambodian nation and people. Their concern is to wage a military war and a demographic war with ethnic Vietnamese and to indulge themselves in corruption. Their concern is to oppose national reconciliation and peace in Cambodia and allow communist Vietnam to lord it exclusively and dictatorially over Cambodia.

All of this are colossal crimes of the two-headed government, communist Vietnam, and the alliance against the Cambodian nation and people.

IV. The Cambodian nation and people together with the PGNUNS solemnly denounce and condemn the two-headed government for all these heinous crimes and voice its resolute opposition to the selling of land in Kompong Som on which to build the casino to murder the Cambodian society. The PGNUNS and the Cambodian nation and people are determined to wage a resolute joint struggle to save our nation and race and to perpetuate Cambodia's customs, culture, and national soul.

5 December 1994

Indonesia

Government Supports PRC Membership in GATT

BK0612162994 Jakarta SUARA PEMBARUAN in Indonesian 2 Dec 94 p 3

[FBIS Translated Excerpt] Indonesia supports the membership of the People's Republic of China (PRC) and Chinese Taipei in the GATT. In this way there will be balanced competitiveness between Indonesia and the PRC, because the latter has to fulfill the conditions set under GATT such as the abolition of subsidies.

Coordinating Minister for Trade Hartarto said this at a meeting with newspaper editors at the Information Department building in Jakarta on Thursday night. The minister also explained about the results achieved at the APEC [Asia-Pacific Economic Cooperation] economic leaders meeting 14-15 November in Bogor, West Java.

Present at the meeting with the editors were Foreign Minister Ali Alatas, Minister/State Secretary Murdiono, Press and Graphic Management Secretary General Subrata, and Special Assistant to APEC affairs Professor Bintoro.

He said that Indonesia will look after its national interests in the wake of the creation of the free trade zone in the Asia-Pacific region. He admitted that the cooperation among APEC member countries is also directed at Indonesia's economic growth. [passage omitted]

Investment from Japan, Korea, Chinese Taipei, Hong Kong, Singapore, and Australia to Indonesia is expected to further increase. Up to October 1994, the amount of investment value from APEC member countries reached 65 percent from the total foreign investment in the country. [passage omitted]

Hartarto reiterated that Indonesia has good prospects in accommodating the Uruguay Round and promoting cooperation among ASEAN and APEC member countries. As long as the people are willing to work hard and take advantage of the available opportunities, Indonesia will continue to reap benefits.

For this, Hartarto suggested that Indonesia maintained the political and economic stability, the deregulation and debureaucratization programs, should develop the industrial and agricultural sectors, and should expand the human resources and the services sectors.

He expressed the hope that by the year 2003, trade tariffs among ASEAN member countries would reach 0.5 percent.

Pro-Government Youths Vandalize Newspaper Office

BK0712085094 Hong Kong AFP in English 0836 GMT 7 Dec 94

[FBIS Transcribed Text] Jakarta, Dec 7 (AFP)—Members of a pro-government youth group smashed up the office of East Timor's only newspaper, Suara Timor Timur (STT), on Wednesday after complaining about the journal's reporting, according to sources in Dili.

The six members of Pemuda Pancasila [PP] who carried out the attack had been infuriated over the newspaper's reporting of an assault on a PP leader, the sources said.

"They came and asked me which journalist wrote about the knife attack, and I answered that I did not know," said a witness who spoke on condition of anonymity. "So they smashed up the office, picking up and throwing a television and a radio, and cutting the telephone line."

Other sources said the youth brigade did not engage in any physical violence against newspaper staff present during the trashing of the office, but added the pro-government youths did issue threats.

The STT had reported a violent assault on Ahmad Alkatiri, a PP leader in the former Portuguese colony of East Timor. Local reports said the PP leader was attacked Sunday night by a group of knife-wielding East Timorese outside his home in Dili.

One account says one of Alkatiri's thumbs was severed during the attack, which followed accusations that he was a pro-government agent and an informer for the security forces.

Tensions are running high between native East Timorese and Indonesian settlers who have moved into the territory following Jakarta's military invasion nearly 20 years ago.

"If they had a complaint over a mistake in news coverage, why didn't they just make an accusation through legal channels," a source at the newspaper said. "Instead, they wrecked the office, which reflects the fact that they are leaning towards criminality."

A police spokesman in Dili was not immediately available to comment on the incident. The military spokesman for the region, Major Laedan Simbolon, told AFP he was not aware of the incident and said it was outside the military's area of responsibility.

Weekly Interviews Roving Ambassador on E. Timor

BK0712100394 Jakarta FORUM KEADILAN in Indonesian 24 Nov 94 p 24

["Excerpts" of interview with Indonesian roving Special Ambassador Lopez da Cruz by correspondent Sudarsono in Jakarta—date not given]

[FBIS Translated Text] [Sudarsono] Who initiated the idea of a meeting between President Suharto and [leader of East Timor community living overseas] Abilio Araujo?

[Da Cruz] Dr. Abilio himself requested the meeting. On behalf of East Timorese people living overseas, Abilio conveyed his greetings and appreciation to President Suharto and hoped that he would be able to meet the president soon. They also want to thank Indonesia, which has helped build East Timor over the past 19 years.

[Sudarsono] How did the president respond when you conveyed Abilio's request?

[Da Cruz] The president agreed to meet Abilio; the timing will be decided later. Newspapers erroneously wrote that the president is willing to meet those opposed to East Timor's integration with Indonesia. We noticed that Abilio has shown his goodwill by trying to obtain direct information on the real situation in East Timor from East Timorese living in Indonesia. He has met these people twice. Last year, Abilio also met with Mbak Tutut [President Suharto's daughter]. This means there is no reason why the president can't meet him in the future.

[Sudarsono] To what extent will the planned meeting help the reconciliation process?

[Da Cruz] The meeting will create greater trust from Abilio. If the president is willing to meet him, this is the greatest thing we can hope for.

[Sudarsono] But many people believe the meeting is premature.

[Da Cruz] I believe this can be interpreted as a concession from our part, but it should not be viewed as weakness. People should look at it as a wise move on our part and recognize the fact that East Timor is part of Indonesia.

[Sudarsono] What has happened to those opposed to integration into Indonesia, such as Ramos Horta, Jose Guteres Joao Carrascalao, etc?

[Da Cruz] We are still waiting for their move. We did not initiate past meetings. If Horta and Carrascalao wish to meet me someday , I do not mind meeting them. I have no vested interest in meeting them. For us, the East Timor issue is over.

[Sudarsono] But in their eyes, Governor Abilio Soares and you are seen as traitors in the struggle of the East Timorese people.

[Da Cruz] Such is politics. For us, President Suharto is the Father of Development, but for them, he is not. For us, the Pancasila state ideology is a philosophy of life that gives us peace of mind, religious freedom, and other things. They are talking about human rights, but who loves people more? Is it they or we who live here?

[Sudarsono] It was reported that [East Timor] Bishop Belo also wants to meet President Suharto.

[Da Cruz] If he wants to meet the president, I will try to arrange the meeting. However, so far I have not received an official letter from him.

[Sudarsono] Is it true that he has never met the president?

[Da Cruz] He once met the president, namely, during the inauguration of the new cathedral in Dili in 1990. But it was in East Timor, and perhaps he wants to have an official meeting with the president in Jakarta.

[Sudarsono] Bishop Belo reportedly said that some officials had tried to prevent him from meeting the president. Was he referring to you?

[Da Cruz] Impossible. I have even tried to arrange a meeting between the president and the bishop, who is a close friend of mine. Why do I have to obstruct him? I realize I must make efforts to make the two leaders meet someday. But Bishop Belo must make his desire to meet the president known. I have even tried to arrange a meeting between the president and those who are opposed to East Timorese integration and have nothing to do with the people in East Timor.

[Sudarsono] Why is it that there are still shootings in East Timor? Isn't there a better way to cope with the situation there?

[Da Cruz] If a person steals, he will be shot, not only in East Timor, but also here in Jakarta. Don't view the issue as something separate from Indonesia. A better option for them is to surrender because the 1976 Presidential Amnesty is still valid. They will be received with open hands if they want to surrender.

[Sudarsono] What about the lawsuit demanding compensation filed by Hellen Todd, mother of the man shot dead in the Dili incident, in the U.S. court in Boston?

[Da Cruz] Each country has its own laws and we will not interfere in other countries' laws. The incident took place in Dili, so how is it that the U.S. court is in charge of the case? This cannot be justified. What about the East Timorese people who died during the Portuguese colonial era? Are they going to demand compensation from us, too?

Sutrisno Closes NU Congress, Incumbent Reelected

BK0612151094 Jakarta Radio Republik Indonesia Network in Indonesian 0700 GMT 5 Dec 94

[FBIS Translated Text] Vice President Sutrisno closed the 29th congress of Nahdlatul Ulama [NU] Islamic group at Cipasung Islamic boarding school in Tasik Malaya, West Java, this afternoon. Our correspondent Nana Sukarna reports:

[Begin recording] [Sukarna] In his closing speech at the 29th NU congress, Vice President Try Sutrisno said efforts to educate Muslims and achieve national objectives do not constitute an easy task but require hard work, sincerity, determination, patience, and wisdom. The vice president expressed the hope that the NU will consolidate its existence and maintain its image and dignity to cope with various obstacles and challenges. The vice president also expressed great appreciation for the NU's firm and consistent commitment.

[Sutrisno] I highly appreciate the NU's firm and consistent commitment in carrying out the 1926 [word indistinct], especially in education, missionary, and social welfare in its widest sense. [applause] All this shows the NU's concrete manifestation and dedication in its efforts to develop Indonesian human resources and enhance the dignity of the Indonesian people in line with the changing needs.

[Sukarna] The 29th Nahdlatul Ulama congress, which ended last night, elected Kiai Haji Ilyas Rukhiyat as (?rois am) [as heard, not further identified] and Kiai Haji (Sahal Mahbud) as his deputy, and Kiai Haji Abdurrahman Wahid as general chairman of the Nahdlatul Ulama for the 1994-99 period. A complete list of the leadership will be announced on 13 December. [end recording]

Commentary Views NU Congress

BK0612153094 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 6 Dec 94

[Station commentary]

[FBIS Translated Text] Kiai Haji Abdul Rahman Wahid, more popularly known as Gus Dur, has been reelected for a third term as chairman of the Nahdlatul Ulema [NU] for the 1994-99 tenure. In its 29th congress opened by President Suharto on 1 December and closed by Vice President Sutrisno yesterday at the Cipasung Islamic boarding school in Tasik Malaya, West Java, Gus Dur obtained 174 votes, defeating his opponent Abu Hasan, who received 142 votes. With the exception of the election of (?rois suria) [as heard, not further identified] for the next five-year term, Kiai Haji Ilias Rukhiyat was elected as the (?rois am) [as heard, not further identified] and Kiai Haji (Sahal Maubud) as his deputy.

Apart from the election of the (?rois am), the five-day congress session also resolved several issues. The congress had the opportunity to discuss several issues, and this was carried out smoothly even though the substance was considered controversial. The problems were of various natures, ranging from the problem of the administrative term of office to the debate on the justification of theology. The justification of theology is related to the issues of the transplant of a pig's heart to a human patient, test-tube babies, and abortion. Such issues have become the traditional major topics at every NU congress because every religious official is morally obliged and invited to present their decisions, which will be enshrined within the NU regulations.

It was considered that the NU has become more independent with the re-election of Gus Dur. Rumors that there was external pressure were only a deliberate ploy to grab the leadership position of the NU. However, the maneuver did not affect any NU member because its members are not easily swayed by any situation, including material benefit.

With the conclusion of the congress, the NU members want to meet President Suharto's expectation when he said at the opening of the congress that every religious official needs to contribute their opinions on how best to develop the Indonesian society's national concept. The NU's progress and reform in its way of thinking toward becoming more independent, mature, and modern are measures to anticipate the challenges in an ever-changing era. In the effort to provide the people with a better future than what they are experiencing today, the NU should be more capable and courageous in taking bolder steps to strengthen its stance and move toward a wider direction in becoming more dynamic. All this should be carried out in an orderly manner.

Laos

Radio Reports on Joint MIA Search Meeting

BK0712072194 Vientiane Vitthayou Hengsat Radio Network in Lao 0500 GMT 7 Dec 94

[FBIS Translated Text] A tripartite policy meeting of Laos, Vietnam, and the United States on cooperation in the search for U.S. soldiers missing in action during the war was held in Hanoi, the SRV, on 1 December. The Lao delegation was headed by Souban Salitthilat, deputy minister of foreign affairs. The participants discussed the U.S. request for permission to bring to Laos four Vietnamese witnesses for a limited time. They are former officers who have claimed to know the situation well and they will help the Lao-U.S. Joint Technical Team identify burials of former U.S. soldiers in the Phou Phathi area in mid-December this year and in an area in Boualapha District, Khammouane Province, in January next year.

Based on the humanitarian policy that it has pursued consistently toward the American people as well as families of those missing in action during the war, the Government of the Lao People's Democratic Republic [LPDR] has agreed to the said request of the U.S. Government. This is considered a new, significant step in the bilateral cooperation on the MIA issue. It once again has shown the good intentions and humanitarian spirit of the LPDR Government as well as of the Lao people who experienced most and heaviest sufferings as a result of the war.

Regional Telecommunications Conference Reported

BK0612155994 Vientiane KPL in English 0900 GMT 6 Dec 94

[FBIS Transcribed Text] Vientiane, December 6 (KPL)-—The first conference on communication development for Laos-Vietnam-Cambodia was held here yesterday morning at Lan Xang Hotel under the chairmanship of Bouathong Vonglokham, minister of communications, transport, post, and construction (MCTPC).

The Lao delegation is headed by Mr. Phetsamon Vilaphan, deputy chief of the MCTPC Office. Heading the Vietnamese delegation to the conference is Dr. Do Trung Ta, deputy director of the Post and Telecommunication Department of Vietnam, and the Cambodian delegation is headed by Mr. Phin Phan, deputy minister of post and communication. Graham J. Davey, head of the ITU [International Telecommunication Union] regional office; Jan Mattson, resident representative of the United Nations Development Program to Laos; and officials concerned. [sentence as received]

This three-day-long conference is aimed at discussing, studying, exchanging experiences, and finding out appropriate ways for the telecommunication development in the three countries, focussing on the telecommunication related to the three countries, preparing recommendations for each country, and overcome difficulties with the cooperation and assistance on the basis of mutual benefit.

The conference will listen to the reports on the government's role towards the gradual shift from monopoly in telecommunication to the expansion of cooperation and joint services, investment analysis and methods, project planning and management, radio frequency monitoring and management, rural telecommunication and potential of mutual assistance in personnel training.

So far, the Lao PDR [People's Democratic Republic] has received assistance from the International Telecommunication Organization in opening training and providing technical aid totalling U.S.$3.3 million.

Increase in Thai Trade, Investment Noted

BK0712123494 Vientiane KPL in English 0903 GMT 7 Dec 94

[FBIS Transcribed Text] Vientiane, December 7 (KPL)-—Mr. Somphan Kokilanon, ambassador extraordinary and plenipotentiary of the Kingdom of Thailand to Laos, hosted here on December 5 a reception on the 67th birthday of His Majesty King Phumiphon Adunyadet of Thailand and the national day of Thailand.

Taking part in the reception were among others, Mr. Somsavat Lengsavat, minister for foreign affairs; Mr. Phao Bounnaphon, minister and chief of the cabinet of the Prime Minister's Office; ministers; diplomatic corps; and representatives of the international organisations in Laos.

Sharing a common border, Laos and Thailand have maintained relations of fraternity from time immemorial.

Since the introduction of the policy of foreign economic expansion in 1989, the economic and investment relations between the two countries have been strengthened and widened constantly. In 1994, the investment in the Lao PDR [People's Democratic Republic] from Thailand reached 187 projects worth U.S. $259 million.

In addition, the trade between the two neighbouring countries has also reached such a significant amount in the border provinces that there are now eight permanent border checkpoints along the common border.

Official Signs Cross-Border Accord With SRV

BK0612163294 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 6 Dec 94

[FBIS Translated Text] Savannakhet Province Governor Saisomphon Phomvihan and Nguyen Phong Hong, chairman of the People's Committee of Vietnam's Quang Tri Province, have signed a memorandum on cooperation in resolving cross-border issues between the two provinces—such as the efforts to regulate the movement of people along Route No. 9, border trade, and a duty-free zone—and in educating people living in border areas to observe international law in carrying out their livelihood and setting up residences.

The memorandum was signed during a visit to Quang Tri Province by Saisomphon Phomvihan from 27 to 30 November. During the visit, the governor of Savannakhet Province also laid a wreath at the monument to Truong Son combatants and visited a number of factories in the province.

Thailand

Foreign Minister on Sin Song, Cambodia Ties

BK0712055394 Bangkok BANGKOK POST in English 7 Dec 94 p 8

[FBIS Transcribed Text] The amnesty granted a leader of Cambodia's failed coup in July will not affect Thailand's decision on a fugitive linked to the incident, said Foreign Minister Thaksin Chinnawat yesterday. The case of Cambodia's former interior minister Sin Song is "not related" to that of former secretary of state for the interior Gen Sin Sen, stressed Mr Thaksin.

The Cambodian government was reported at the weekend to have supported King Norodom Sihanouk's call to grant Gen Sin Sen an amnesty.

The Cambodian military court sentenced Gen Sin Ser on October 28 to 18 Years imprisonment for his involvement in the failed coup in Phnom Penh on July 2. The same court sentenced Gen Sin Song in absentia to 20 years imprisonment for his role in the takeover bid.

Gen Sin Song remains in custody in Bangkok after being convicted in early November to a two-year suspended sentence on illegal entry charges.

Thailand will process Gen Sin Song according to Thai law and is still waiting for a copy of the Cambodian military court's verdict in order to establish whether he committed a political or a criminal offence, said Mr Thaksin.

The Foreign Minister said Gen Sin Song's case would be discussed when Cambodian Foreign Minister Ung Huot comes to Bangkok next week.

Mr Ung Huot is due to attend the Southeast Asian Programme on Ocean Law Policy and Management taking place here from December 12- 16.

Mr Thaksin said he himself would visit Cambodia on December 21.

The minister discussed Gen Sin Song's case during an audience with King Sihanouk in Beijing on November 29.

He refused to give details of the discussion other than to say the Cambodian monarch wanted to see the matter resolved and an end to mistrust between the two neighbouring countries which previously enjoyed good relations. But a well-informed source said King Sihanouk let it be known during the talks tha he would like Gen Sin Song to go to a third country.

Mr Thaksin said this would only be permitted if Gen Sin Song is found to have committed a political offence.

"If not, we will have to send him back to Cambodia," he was quoted as saying.

If Cambodia grants Gen Sin Song an amnesty, Thailand will not need the Cambodian court verdict, said Mr Thaksin.

In a separate interview Deputy Foreign Minister Surin Phitsuwan said he knew of no country which had agreed to grant asylum to Gen Sin Song.

Police Director-General Phot Bunyachinda has been reported as saying Sweden had agreed, to which Mr Surin said the police chief may have heard something he had not.

"But if the (Cambodian) government were to grant an amnesty to Gen Sin Song, he could go home," he said.

"We are in no position to keep him indefinitely. At present, we are only holding him in custody while waiting to send him somewhere else."

The Cambodian military court also convicted in absentia King Sihanouk's son, Prince Norodom Chakrapong, to 20 years imprisonment for his role in the coup.

The prince was allowed to leave Cambodia a day after the coup attempt and has been living in France since August.

Fourteen Thai nationals were given suspended sentences ranging from two to five years for their part in the coup attempt. All were set free and allowed to return to Thailand.

Decision Between U.S., PRC in Regional Economy

BK0712075994 Bangkok BANGKOK POST in English 7 Dec 94 p 4

[Editorial: "Regional Prosperity Hinges on the Whims of Beijing"]

[FBIS Transcribed Text] China's communist and isolationist policies have made it an unpredictable package in the world economic market. But its population base and resource wealth make it an undoubted major player which cannot be overlooked by any country wanting to keep up with the pace of free trade. Already hailed as an economic superpower, the next five years will determine whether Beijing can use its advantages to inflict the same economic imperialistic impact as Japan in the 1970s and 1980s—perhaps having a more shattering impact on world affairs.

In 1997, it will take over Hong Kong. In 1999, it will control Macao. They are ports which still have an uncertain future. They will almost surely face policy and legal changes to comply more closely with Chinese law. While these may not directly affect the stock market port trade and everyday economic operations of the colony, they will affect the distribution of wealth under communist principles. The tall poppy syndrome may be enforced, knocking out the larger players currently making a killing on Hong Kong's market. Media tycoon Rupert Murdoch is negotiating with the government, but even his influence is being brushed aside when it does not completely comply with Beijing's single-minded wishes. The Chinese are talented business people, as proven through Hong Kong and Singapore's success. The question is to what degree will Deng Xiaoping's influence have on global tactics.

On Monday, Hong Kong announced the last election date for its doomed Legislative Council—a defiant waste of time by Governor Chris Patten, considering China's promise to wipe out all tiers of representative government when the colony is handed over in July 1997.

Beijing has shown a stubborn, if not arrogant resistance to Governor Patten's democratic changes. It is a conflict which China and Deng, should he survive, will ultimately win. The new geographic constituency will almost certainly be wiped out and perhaps with it, a certain degree of economic freedom for Hong Kong citizens.

A similar arrogance has been displayed towards Taiwan. China, because of its recognised power, has been able to repress the small island in terms of its "say" in regional economic and political issues. While the Western world may like to recognise Taiwan more openly, it is influenced by a stranglehold displayed by its far more powerful neighbour.

Saturday's election was a good indicator of this. People in Taiwan have recognised their limited bargaining power and opted for the status quo as shown through the Nationalist victory—a group which is now preaching an anti-independence policy while maintaining an anti-communist flavour. It was a victory for peace in the region, avoiding the potential for conflict with China. But the question still remains as to how much impact China will have on the overall operation of ASEAN and APEC [Asia-Pacific Economic Cooperation].

Malaysia's Dr Mahathir Mohamad has tried to scale down the free trade wishes of his economic partners and, in the process, flirted with the "recalcitrant" label given to him by Australian Prime Minister Paul Keating. But if China decides to take a similar stance, it will carry far more weight and will hold the key to the economic prosperity of the entire Asian and South Pacific region. It will be in this light that the United States' negotiating role will be crucial. Human rights, however important, could become irrelevant when talking economics as revealed recently when President Clinton was forced to back down on the importance of human rights violations.

Of late, Thailand has shown a surprising tolerance to dictatorial regimes, such as Burma and Indonesia, supporting their inclusion in major regional economic policy agreements. In increasingly important doses, Thailand faces the decision of to what extent it will tolerate China's standover tactics which include behind the scenes overtones of dead dictator Chairman Mao's outdated policies. To a certain degree, Thailand still has the option of turning either to the United States or China as its preferred big brother when joining an economic bloc to compete with the European Community. Premier Chuan Likphai, should he remain leader, will have to decide how much he bows to China's sometimes secretive tactics and how much independence he adopts in an economic atmosphere changing to become more reliant on the policies of a senior partner in a large, powerful trade bloc.

Until now, Beijing has been emerging as that senior partner. But when Hong Kong, Macao, and perhaps eventually Taiwan are returned under the red communist flag, its supremacy will be impossible to ignore. It will maintain its resources and gain the crucial trading power and infrastructural base of its smaller, more developed neighbours. The worst-case scenario raises fears it could become a force feared by more established nations—both as an expansionist and a giant nation which stays stubbornly possessive and secretive of its future direction and policies.

Police Keep 'Close Watch' on Mon News Agency

BK0612055694 Bangkok BANGKOK POST in English 6 Dec 94 p 3

[FBIS Transcribed Text] Special Branch Bureau police are keeping a close watch on people suspected to be behind a Mon News Agency newsletter which includes articles attacking the Thai Government. The newsletter has been distributed among Thais of Mon origin and displaced Burmese in Thailand.

A special branch police source said the newsletter has continued to accuse the Thai Government as well as high level figures including Prime Minister Chuan Likphai, former foreign minister Prasong Sunsiri, Deputy Foreign Minister Surin Phitsuwan and National Security Council secretary-general Charan Kunlawanit. It accuses them of mistreating Mon people who recently fled attacks by Burmese soldiers across the border into Thailand in Kanchanaburi's Sangkhla Buri District.

The newsletter accused Thailand of pushing back the 6,000 Mon people into the hands of Burmese troops in violation of international humanitarian principles.

Thailand also discriminated against the Mon people, the newsletter said, adding that a large number of Vietnamese Lao and Cambodian refugees had been allowed to temporarily take refuge in Thailand for over a decade.

It said Thailand had taken no legal action against Burmese immigrants.

More than three million Thai people of Mon origin wil] not vote in the next election for parties in the Government which have mistreated them the newsletter said.

Editorial Cautions Chawalit Over Ambitions

BK0712080494 Bangkok THE NATION in English 7 Dec 94 p A6

[Editorial: "No Short-cut To Be PM"]

[FBIS Transcribed Text] The term minority government has made its way into the political jargon surrounding the current controversy over Articles 198 and 199 of the draft Constitution Amendment Bill. By definition, a minority government is a party or coalition of parties which has the largest number of seats in the House of Representatives, but lacks a clear majority.

In order for a minority government to survive, it would need the support of the opposition in trying to get bills passed. The toppling of a minority government is in fact a simple matter—a mere vote of no-confidence would suffice.

The Chuan coalition, of which the Democrat Party is the largest, might be relegated to a minority government and could suffer the same predicament due to the intransigent behaviour of one of its partners—the New Aspiration Party (NAP). Against the odds, it would be difficult for the current coalition, minus the NAP, to function as a minority government.

Parliament starts deliberating on Articles 198 and 199 tomorrow, followed by a vote immediately.

Prime Minister Chuan Likphai wants the coalition to stand firm on its resolution requiring all government MPs to either vote for the proposed amendments to Articles 198 and 199 as recommended by the House-Senate committee on charter reform, or abstain.

The NAP has decided to defy the coalition Government's resolution and vote at their discretion on whether to accept the proposed changes to the Constitution Amendment Bill that will bar kamnan and village heads from serving on local government bodies at the tambon level.

NAP leaders have made clear their intention to vote to retain the existing Articles 198 and 199 in the draft bill, which allow kamnan and village heads to sit on the tambon council by virtue of their office. NAP leader Chawalit Yongchaiyut, who is also interior minister, last week threatened to resign and pull the second largest party out of the Chuan coalition. The party has 51 seats.

The interior minister even declared a Cabinet resolution was not "God's command" implying that he was free to do as he pleased.

To add fuel to the controversy and press his case further, Chawalit reportedly met opposition and Senate leaders, including a former National Peacekeeping Council [NPKC] junta leader. While asking these figures to support the NAP-proposed original version of the articles, it has been claimed that Chawalit discussed the possibility of forming a government should Chuan resign.

If indeed the interior minister is courting the opposition and certain controversial figures, then his political commitment to democracy has to be questioned. Without doubt, these controversial figures were backing the

NPKC junta to the hilt and comprised the military-dominated government that confronted the pro-democracy movement leading to the Bloody May events of 1992.

The country's fledgling democracy would certainly take several steps backwards if these political figures came back to power, riding on Chawalit's back, and there's a possibility also that the old "vicious cycle" would repeat itself.

Chawalit has long harboured intentions of becoming prime minister and he has no qualms about displaying it either. Courting the kamnan and village heads will give the assurance that votes from the provinces could be delivered. The kamnan or village heads could either coerce the rural electorate to vote for a certain party, or they could act as a conduit to disburse cash to the villagers to buy votes. Either way, a victory could be assured because national elections are determined by provincial votes and not by the urban constituencies.

It is precisely for this reason that the Chuan coalition wants to clip the wings of the kamnan and village heads so that democracy can be spread from the urban centres to the rural areas. But Chawalit seems to want the easy way out and is even willing to pervert democracy to achieve his ambition. But there is no shortcut to the premiership. Besides the hard work, a prerequisite is that a politician must lead a clean and honest life, winning the trust and confidence of the people at the same time.

Chawalit has to wait his turn to be prime minister.

Pulling out of the Chuan coalition so as to try to cause the collapse of a democratically-elected government is just not the way.

Also, associating with certain opposition politicians and ex-NPKC figures will blemish the NAP leader's credibility.

The people should never be underestimated. The events leading to May 1992 were evidence of that. This time around, if the House is dissolved and new elections called, they could just vent their disgust through the ballot box. In the end, Chawalit himself will be the big loser.

Development of Information Infrastructure Viewed

BK0612153594 Bangkok THE NATION in English 6 Dec 94 p A6

[Article by Phana Chanwirot: "The Making of Thailand's Information Superhighway"]

[FBIS Transcribed Text] Transport and Communications Minister Dr Wichit Suraphongchai should be hailed for, first, giving priority to the country's telecommunications policy; and second, for putting his foot down over abuse of monopolies by the Telephone Organization of Thailand (TOT) and the Communications Authority of Thailand (CAT).

Key issues now include how fast he can move to get the telecoms policies and practices on course to capitalize on the globalization of world's information economy; and whether he has the stamina to convince ministers and bureaucrats that the next wave of national development will be information and communications.

Last Friday, Wichit announced the setting up of a working group to draft an amendment to four laws relating to communications and telecommunications. The working group will work on a proposed draft amendment, approved during the last days of Winai Somphong, Wichit's predecessor, which called for the establishment of a regulatory agency to supervise the conduct of both state-owned and privately-owned telecommunications enterprises which are related to public welfare at large.

Wichit effectively put a brake on any new major projects initiated by the TOT and the CAT. He said both agencies have not been transparent in explaining the benefits which the public will receive from various concession and joint venture projects which they have implemented. He rightly announced that the telecommunications policy ought not only to provide sufficient supply but also at the lowest cost to users. Telecommunications must be competitive through liberalization.

The policy tone is set. But the harder tasks that remain are to decide what to do with the two agencies and to unravel the complexities of concession and joint venture agreements which both of them have entered into with private firms. The agreements have either caused merely transfer of public monopoly to private monopoly or maintained service costs at high and uncompetitive levels.

The logical strategy ought to be to make Thailand's telecommunications sector internationally competitive through liberalization and economy of scale. Singapore and Malaysia have moved ahead in this direction. The TOT and the CAT will have to be forced to speed up the privatization process. Both agencies should be merged to achieve economy of scale and cost competitiveness in operating overseas and local telephone calls. They will have to compete with private concessionaires in both basic and value-added services.

The regulatory body must be set up as soon as possible. But far more important, it must be tough to ensure fair play to promote newcomers and encourage competition. It may even have to be supported by a legal weapon such as an anti-trust law, which has not yet been enacted, in order to do the job effectively. It must be supported by a capable secretariat with accurate information and world vision.

The telecommunications agenda is endless because this is the sector undergoing radical changes at a speed of a computer click. Thus, the structure of policy-making and regulatory processes must be kept flexible, versatile and effective as well as being above politicking. The telecommunications issues at home must be weighed constantly with the revolution going on elsewhere and the subsequent economic and social ramifications. Pursuing the wrong policies could prove costly.

While Wichit's task of putting the house in order seems difficult enough, there is a greater challenge which lies ahead with the coming of the so-called "global information society". How we go about conducting every minute of our lives in the next century could be radically different from today's as technological advancements from Microsoft and its fellow mass media and communications giants disperse throughout the world.

Already, Thai businesses are wiring their operations to become more productive and competitive. As Wichit, a former banker, knows, banks are being taken over, by technology. Manufacturers and retailers are using computers to reduce inventories and become more price competitive.

The Public Health Ministry wants to use telecom medicine to promote healthcare in remote areas and to provide instant medical expertise in the provinces. Qualified universities and schools are being asked to provide education by satellites. The entertainment and media sectors are booming because of the new technology. The new cable and television stations will create more jobs than ever before.

All these changes do not only require proper and cost effective infrastructure but also development of human resources. It is more demanding for sure, but the economics provide low risk opportunity to ensure that greater and more rigorous investment in human resources will be worthwhile.

The benefits are clear: a leap from an economy relying on low labour costs into one relying on more skilled labour with a higher standard of living.

It is this integral approach which the Transport and Communications Ministry must pick up. In the past, ministers have been more concerned with building highways, a conventional means of transport. But the human factor is also neglected, as indicated by road accidents being the biggest cause of death in Thai sector today. Highways are built without sufficient consideration for local pedestrians and little has been done to improve the skills of motorists.

But in the building of the information superhighway, the role of the human factor is much more diverse, complex and subtle. In the United States, it is the self-discovered entrepreneurs and innovators who are behind the growth of the American information superhighway.

It will be the same here, too. How can Thailand's schools and universities be effective in satellite training and education courses without state support in terms of satellite leasing (already Chulalongkon University said it could not afford to invest Bt100 million in a ground station to beam the programmes).

Even that does not guarantee that the satellite courses will be successful unless it is accompanied by creativity of the programmes to get students glued to their seats and make the most out of the technology (the same goes for telecom medicine). Such creativity does not come with the institutions or the bureaucracy, but with individuals. In the US and Europe, for instance, such people receive grants from national research bodies to develop their creativity for the masses.

This is just the tip of the iceberg in the development of an information society. The message is that the Transport and Communications Ministry cannot just be the developer and promoter of telecom infrastructure. With its understanding of telecommunications development, it also needs to foster, promote and coordinate with other ministries, agencies, and the government on how best to capitalize on the telecom infrastructure for national development and plug whatever financial and information gaps are in the system.

Satellite Transponder Market Expected To Grow

BK0612150794 Bangkok BANGKOK POST in English 6 Dec 94 p 30

[Report by Suphaphan Plengmaniphan]

[FBIS Transcribed Text] The Asia-Pacific region will see very strong growth in the market for commercial satellite transponders next year, with fierce competition to lease them out, according to an industry source. It is doubtful that Chinnawat Satellite's claim that it will retain its "prime position" in the market will be borne out the source said.

The number of commercial transponders of satellites covering the Asia-Pacific region will increase from about 500 this year to about 800 next year. These transponders are both Ku-band and C-band. The figure excludes transponders available for this region through global satellite networks of Intelsat and Inmarsat.

Satellites planned for launch next year include Malaysia's Measat, China's Apstar, Hong Kong's Asiasat, Indonesia's Palapa and satellites of Singapore and Japan. These satellite will be for direct broadcasting rather than telecommunications and will offer the Thaicom satellites tough competition, the source said.

Transponder leasing in the region is likely to be hotly competitive next year and cuts in charges are possible, the source added.

The president of Chinnawat Satellite, Dr Damrong Kasemsoet, has claimed that the firm will retain its "prime position" in satellite services in Asia because of competitive pricing and quality.

Dr Damrong said Thaicom III will be able to meet the growing demand for satellite transponders until 1998 when the company comes up with new satellites.

The company has surveyed demand for Thaicom III satellite services, which will be launched by 1996. Design and construction will be in line with customer demand. The company allows users to book transponders for the Thaicom III.

Thaicom III will have a wider footprint than Thaicom I and II. The footprint of the 27 channels C-band transponder will cover areas throughout Asia, part of Europe and the Middle East.

The footprint of the 12 channels of Ku-band transponder will also cover all ASEAN together with Japan and Taiwan.

Ku-band transponders of Thaicom I have been booked by International Broadcasting Corporation (IBC) and ThaiSky. The remaining Ku-Band transponders of Thaicom II will be fully booked in 1995.

A few C-band transponders of Thaicom II are still available. Current capacity will sustain demand until Thaicom III is sent to the orbit. Thaicom III can meet demand until 1998.

The company will launch Thaicom IV if demand for satellite services surfaces. Thaicom satellites can provide very small aperture terminal (VSAT) serving data transmission in the future.

Projects in Thaicom's pipeline include arranging medical services by telemedicine which will be serviced by the Ministry of Public Health, and video conferencing.

Dr Damrong said the service charges will follow the guidelines of the Ministry of Transport and Communications. The service charges of the Thaicom satellite are low relative to others. Its footprint has a wider coverage and the satellites are new.

The accuracy of old satellites such as Palapa is declining. The service charge has therefore had to be lowered compared with Thaicom.

Demand for satellites in the region is expanding fast, but the supply of new satellites is coming up at a slower rate. Charges are moving up as demand outstrips supply.

The charges of all Thaicom satellites are regulated by the Thai Government and the company does not have any need to raise the price since the price is now "commercially viable" Dr Damrong claimed.

The service charge for Thaicom satellites in the future will be lower than others, whose price will increase "indefinitely", whereas the marketing of Thaicom in the region has a promising future, he claimed.

Dr Damrong accepted that there are new satellites in Asia whose footprints and signals are wide and strong. However, these strengths are not palatable to clients since they want systems covering Asia.

He said Chinnawat's satellite is now operating slightly in the red. However, performance in the second quarter of 1995 will offset the loss.

He said satellite dish manufacturers will get a windfall from the development of satellite system as demand for the products increases. Next year the satellite TV market will boom as many satellites will be launched into orbit. Countries which do not own satellites will initiate their own projects.

Chinnawat's belief is that it can retain leadership in the market as it has been in the arena for a long time and it has a strong base at home. He said: "We have a strong local market and eight years protection period for the concession from the Government. Meanwhile, local clients are more than enough to support the business."

He added: "Venturing out to compete for overseas clients would bring a sheer profit to the company. This makes Chinnawat distinct from other operators who have to seek overseas clients to break even, because of their slim domestic markets".

The satellite control station for Thaicom I and II is at Ratanathibet Road, Nonthaburi. It has been operated entirely by Thai staff since 1993. Thaicom III will be controlled by this station as well. The staff was trained by Hughes Aircraft of the US for over two years. He said Chinnawat gives advice to other national satellite programs, for example the Philippines.

Thaicom's clients are IBC Thaisky, Advance Info Service, Telephone Organisation of Thailand, Communication Authority of Thailand, Samart Telecom, Acumens, Mass Communication Organisation of Thailand, Public Relations Department, Revenue Department, Ministry of Interior Television and Radio stations, National Television of Laos and Vietnam and very small aperture terminal (VSAT) of the Philippines.

Vietnam

Deputy Foreign Minister Meets Japanese Minister

BK0712144094 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 6 Dec 94

[FBIS Translated Text] To implement the agreement reached by our prime minister and his Japanese counterpart, a regular meeting between delegations of the Foreign Affairs Ministries of Vietnam and Japan was held recently in Tokyo to exchange views on various issues. The Vietnamese delegation was led by Deputy Foreign Minister Vu Khoan and the Japanese delegation by Deputy Foreign Minister (Hiroshi Kokutsa).

Amid an atmosphere of friendship and frankness, both sides exchanged views on measures to accelerate cooperation between the two countries and implement various agreements reached during the recent official friendship visit to Vietnam by Japanese Prime Minister Tomiichi Murayama. The two sides held concrete discussion on economic cooperation and on implementing the official development aid provided by Japan. Both sides agreed to speed up negotiations to sign agreements on avoiding double taxation and on investment insurance to encourage Japanese investment in Vietnam. The delegations exchanged views on international and regional issues of common concern and expressed the wish to contribute to the trend of peace and cooperation for the sake of development in Southeast Asia and the Asia-Pacific region.

On 6 December, Yohei Kono, Japanese deputy prime minister and foreign minister, cordially received and held talks with Deputy Foreign Minister Vu Khoan. On this occasion, Deputy Minister Vu Khoan asked Japanese Deputy Prime Minister Yohei Kono to deliver a letter from Prime Minister Vo Van Kiet to Prime Minister Tomiichi Murayama. Also attending the function were Japanese Ambassador to Vietnam (Akio Isura) and Dang Quang Tho, the Vietnamese charge d'affaires in Japan.

Leaders Meet With Visiting Italian Communists

BK0712123294 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 6 Dec 94

[FBIS Translated Text] At the invitation of the Communist Party of Vietnam [CPV] Central Committee, a delegation of the reestablished Italian Communist Party led by Comrade (Veanie Savaro), member of the party national leadership and head of the party Central Committee Economic Department visited Vietnam from 28 November-5 December.

Comrade Nguyen Ha Phan, member of the CPV Central Committee Political Bureau and Secretariat and head of the party Central Committee Economic Department, received and held working session with the Italian party delegation.

Both sides briefed each other on the situation of their respective parties and countries and discussed concrete measures to strengthen bilateral relations.

During its stay in Vietnam, the Italian party delegation held working sessions with the State Planning Commission, the State Committee for Cooperation and Investment, the Ministry of Forestry, the Ministry of Agriculture and Food Industry, the Ministry of Construction, the Ministry of Culture and Information, the Tourism General Department, and the Sports and Physical Education General Department to learn more about the economic situation in Vietnam and study the possibilities for economic, cultural, sports, and tourism cooperation between Vietnam and foreign countries in general, and between Vietnam and Italy in particular.

The Italian party delegation also visited Haiphong City's seaport, the Vietnamese Friendship Organizations Union, and the Vietnam-Italy Friendship Association. The delegation left Hanoi for home on 5 December.

Belgian Crown Prince Departs Hanoi for Provinces

BK0612160994 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 5 Dec 94

[FBIS Translated Text] Belgian Crown Prince Philippe and his entourage, who are on an official visit to our country, left Hanoi for the southern provinces on the morning of 5 December. On the instruction of Prime Minister Vo Van Kiet, Foreign Minister Nguyen Manh Cam saw Crown Prince Philippe off at the Government Guest House. Minister Nguyen Manh Cam held talks with the crown prince before seeing him off.

Probe Launched Into Buddhist Protest in Hue

BK0712090094 Hong Kong AFP in English 0843 GMT 7 Dec 94

[FBIS Transcribed Text] Hanoi, Dec 7 (AFP)—An official investigation has started into new protests by Buddhist dissidents in the imperial capital of Hue, police and the state-run religious affairs commission said Wednesday. Twenty Buddhist monks and their followers, who oppose the state-controlled official Buddhist church, "provoked public disturbances" on November 27, the sources said.

The protesters interrupted the reopening of a religious school sponsored by the official church, they said. The incidents took place at the Bao Quoc monastery, one of the oldest in Hue which dates back to 1670 and is now used by pupil monks of the official church. The religious school, founded in 1940, was recently placed under the direction of Thich Thien Sieu, a religious official named by the authorities.

Sources said demonstrators loudly protested against the state-run church, called for a boycott of it, and damaged the doors inside the school during a brawl with the clerical official. A ceremony to mark the reopening of the school had to be called off, the sources said.

"This is a dispute between Buddhists in the province," a local police official told AFP. He said the authorities had not yet made any arrests. However the official Vietnamese press said those found guilty over the incidents will be severely punished, according to the official Vietnamese press.

The dissidents do not recognize the authority of the state-run church, set up in 1981 by the communist regime to place Buddhist clerics and their followers under a single authority.

The conflict with dissidents regularly erupts with dissident Buddhists often charging the state with religious persecution.

In a closed trial in Hue, four dissident monks were sentenced to several years imprisonment in November last year, six months after a violent anti-government demonstration.

At least five dissident monks and Buddhist followers were arrest last month in Ho Chi Minh City after they tried to transport relief supplies to flood victims in the Mekong delta, according to opposition leaders in exile.

Vo Van Kiet Meets with Central Highland Leaders

BK0612151394 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 5 Dec 94

[FBIS Translated Text] On 5 December, Prime Minister Vo Van Kiet held a meeting in Pleiku Provincial Town of Gia Lai Province with key leading cadres of four Central Highland provinces to evaluate the implementation of the 1994 planning and discuss measures on local socioeconomic development in 1995 and the following years.

Speaking at the meeting, Prime Minister Vo Van Kiet hailed efforts carried out by local cadres and people to achieve local targets on socioeconomic development. He stated that the four Central Highland provinces play a strategic role in national economy, politics, and defense. These provinces have created stable conditions for further socioeconomic development. They enjoy many prerequisite advantages and potentials for industrialization and modernization, compared to northern and southern provinces, which only concentrate on rice cultivation. However, they must quickly transform their economic structure to choose cultivation and husbandry patterns suitable to their localities. The infrastructure in the Central Highlands is still poor. Therefore, the Ministry of Energy must help local authorities to build electricity transformer stations to receive electricity from the National Electricity Transmission Line.

The prime minister also requested ministries and central sectors to quickly increase investment in mountainous and isolated areas to prevent economic disparity in different areas.

President Do Muoi Tours Southern Localities

BK0712110294 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 22 Nov 94

[Report by station correspondent Dao Nguyen]

[FBIS Translated Text] Dear friends: Ho Chi Minh City and the provinces of Ba Ria-Vung Tau, Dong Nai, and Song Be form a key key economic triangle in the south and they have one thing in common, namely, a fairly high economic growth rate of 11 percent per year or more. The region is also noted for its external economic activities. Ho Chi Minh City tops the list with an export turnover of $895 million, followed by Ba Ria-Vung Tau with $313 million, Song Be with $259 million, and Dong Nai with 231 million. Along with promoting a multisectorial economy, the aforementioned localities have effected a major economic restructuring through efforts to gradually boost industrial development while at the same time reducing agricultural production. For Ba Ria-Vung Tau alone, the industrial production output accounts for as much as 70 percent of the total revenue of the province. Local business establishments play a leading role in increasing the revenue of each locality.

Comrade General Secretary Do Muoi highly valued the efforts of Ho Chi Minh City and the aforementioned provinces. After touring a number of local economic and industrial establishments, Comrade Do Muoi made a number of important suggestions as follows: Regarding Ba Ria-Vung Tau, the province serves not only as the gate to the economic triangle but also as a seaport that provides access to the entire Nam Bo region. Owing to its oil and gas industry as well as to the ongoing construction of the Ben Dinh and Con Dao seaports, the province also plays an important role in promoting external economic activities. Only by viewing the issue from such an angle can we bring into full play the economic potential of the region in terms of tourism and the cultivation of special agricultural crops in Dong Nai; rubber tree planting in Song Be; industrial production in Bien Hoa; and the development of food and textile industries as well as other high tech industries in Ho Chi Minh City. This also constitutes the only way of developing the region into a products processing center for the Mekong River Delta and the southernmost provinces in Central Vietnam.

Comrade Do Muoi stressed the importance of a number of issues, including a well-defined production relationship. It is important to fully realize the roles of cooperatives and collectives as well as the forms of the current economic activities of different economic sectors. It is of equal importance to fully realize the role of planning in the market economy. Many problems call for efforts to evaluate the general situation and derive experiences, thereby helping other localities with ways of doing a better job.

One of the issues of concern for Comrade Do Muoi is the development of the oil and gas industry, for which Ba Ria-Vung Tau currently serves as the biggest facility in our country. The following is an exchange of views between Comrade Do Muoi and cadres of the oil and gas sector:

[Begin recording] [Do Muoi]: During my visits to Thailand and Malaysia, I saw that local companies were owned by Thais and Malaysians and not by foreigners. Let us make sure that Vietnamese citizens get rich through joint ventures with capitalist companies. It is necessary to make drastic and concentrated efforts to step up personnel training.

[Unidentified oil and gas cadre] Comrade, let me assure you that concentrated efforts have already been made in that direction. Regarding professional skills, it can be said that our Vietnamese staff can meet the standards set by capitalist companies. But we still have difficulties with the English language.

[Do Muoi] Well, they have to learn that foreign language. It does not take them a lot of time to learn it. Let them do it. Meanwhile, it is important to conduct vocational training to build a contingent of Vietnamese technicians and engineers so that we can make progress and move forward. Let us make personal efforts to accumulate capital and look for contracts to sign. Don't adopt an administrative-like workstyle in which projects are left to future generations to carry out hundreds or thousands of years from now [end recording].

Comrade Do Muoi also reminded officials in Ho Chi Minh City and the aforementioned provinces that form a key southern economic zone of the need to perceive the industrialization and modernization process put forth in the Party Central Committee Seventh Plenum Resolution as an instrument for applying new technologies to production.

Dear friends: Unlike the key economic triangle, the provinces of Can Tho, Tra Vinh, Soc Trang, An Giang, and Tay Ninh base their strengths solely on agricultural production. Therefore, in their working session in Can Tho with leading officials of the aforementioned provinces, Comrade Do Muoi and Comrade Dao Duy Tung raised many practical and theoretical issues relating to the industrialization of agriculture and rural development put forth in the party Central Committee Fifth Plenum Resolution.

In addition to efforts made in the years earlier, lately various provinces have striven hard to gradually reduce the agricultural proportion from their gross turnover while gradually increasing the industrial proportion, including in the processing industry.

After hearing a briefing and touring some establishments, Comrade General Secretary Do Muoi commended various party organizations and the people for their efforts to implement the party Central Committee's fifth plenum resolution. This progress can be seen in these two main points:

—First, the pace of agricultural mechanization in various provinces has developed fairly well.

—Second, various provinces have promptly applied biological technology in production, including crop varieties and animal species. As a result, knowledge of crop cultivation in peasant households has been increased and the people's livelihood has been improved both materially and spiritually.

The people in Can Tho, Tra Vinh, Soc Trang, An Giang, and Tay Ninh provinces are encountering many problems which need attention. They are: The number of peasant households which are underemployed is relatively large—around 21,000 families. The practice of land accumulation is prevalent with each household now having three to four hectares. Provinces must see to it that all peasant households have land for use in production.

In the Mekong River Delta region, there remain 124 cooperatives; the rest are production establishments. The farm work previously assumed by cooperatives still exists and the performance of this duty is now more demanding. The disappearance of cooperatives in some localities has caused peasants to be manipulated by various economic components. The party committees and the administrations of these provinces must take steps to satisfactorily tackle those issues regarding support services and products sales. Various sectors at the central level must be fully aware of their responsibility if they are to come up with concrete plans to help peasants on the basis of the worker-peasant alliance.

The amount of cultivatable land in these provinces is shrinking. According to statistics, these provinces have lost at least 100,000 hectares over the past 20 years. We must avert this trend in order to preserve our cultivatable land.

Comrade General Secretary Do Muoi raised two major issues to be constantly studied by these localities. They are: What links in the peasants' production work will be affected by economic components? and how will the industrialization process of the Mekong River Delta develop? and with what concrete steps?

The comrade suggested that to carry out rural and agricultural industrialization, we must reorganize production and services in the direction of having agriculture satisfactorily provide raw materials for various industries. Meanwhile, efforts must be made to develop the processing industry. All orchards planted with miscellaneous trees in the Nam Bo region must be turned into those dealing in marketable goods.

In addition to their visit to various industrial establishments and the Chau Thanh district in Can Tho province, Comrade General Secretary Do Muoi and Comrade Dao Duy Tung spent a great deal of time visiting some families of fallen heroes. They included the family of Mrs. Huynh Thi Meo of the Xuan Khanh ward in Can Tho province. She was the widow of a fallen hero. Her four children had also sacrificed their lives. Mrs. Meo, who had been recommended for the Heroic Mother title this time, was deeply moved at the sympathy shown her by the party through Comrade General Secretary Do Muoi:

[Begin Do Muoi recording] I am coming to visit you. I wish you constant good health. You should feel proud of the contributions made by your family to the country. It is now our party and state's policy to decorate heroic mothers. Your mourning for your lost relatives may not be dissipated, but you now can feel proud of being able to enjoy independence, freedom, and happiness. Whenever you are in low spirits, please tell your grandchildren to read story books or sing for you. May you enjoy freedom and happiness. [end recording]

Dear friends, before departing these provinces, Comrade General Secretary Do Muoi once again urged localities to continue to be patient in deploying various policies of the central government on socioeconomic development in a forthright and creative fashion in order to constantly improve the people's livelihood. The resolutions of the party Central Committee's fifth and seventh plenums must be regarded as the watchword for localities to accelerate rural and agricultural industrialization and the modernization of various economic sectors on the basis of applying advanced technologies.

Australia

Keating Says Free Trade Possible Before 2020

BK0712072794 Melbourne Radio Australia in English 0500 GMT 7 Dec 94

[FBIS Transcribed Text] Australian Prime Minister Paul Keating says free trade in the Asia-Pacific region is possible before the year 2020 if the business community pushes the ideal. Mr. Keating's comments came at the official opening of the National Trade and Investment Outlook Conference in Melbourne as Camille Funnell reports:

[Begin Funnell recording] Mr. Keating says the APEC [Asia-Pacific Economic Cooperation] timetable for free trade by the year 2020 could be brought forward if business leaders factored the decisions into their thinking. He told the conference the Bogor Commitment offers great potential to business. He says they can plan on access to an increasing large and integrated regional market representing 40 percent of the world's population. He says in Australia business investment especially in plant and equipment is molding a strong recovery which will expand productive capacity of the economy. He says business conditions in Australia are now the best there have been for years with the Australian economy growing strongly at under 6 percent a year. But Mr. Keating says that's probably a little too fast at the moment. [end recording]

Committee Formed To Handle APEC Trade Issues

BK0712123694 Melbourne Radio Australia in English 0630 GMT 7 Dec 94

[From the "International Report" program]

[FBIS Transcribed Text] The Australian Government has set up a special ministerial committee to deal with the Asia-Pacific economic forum, APEC [Asia-Pacific Economic Cooperation]. Prime Minister Paul Keating announced the formation of the committee in a report to Parliament on last month's APEC summit at Bogor in Indonesia. Mr. Keating will chair the committee, which will coordinate Australia's response to the free trade timetable announced by the APEC leaders. While welcoming the Bogor timetable for introducing free trade by 2010 or 2020, Australia's parliamentary opposition said far more detail needs to be provided about APEC's approach to trade outside the grouping. From Canberra, Graeme Dobell reports:

[Begin recording] [Dobell] For Prime Minister Paul Keating, the Bogor summit, with its declaration of a free trade timetable, must be seen as a moment that changed permanently the nature of the Asia-Pacific and Australia's relations with the region:

[Keating] For nearly 40 years, Australians have spoken loosely about what we call our region in the world. We regularly talked about our northern neighbors, but until now these phrases have been statements of aspiration or hollow cliches rather than descriptions of reality and real national intent. What our region was? Where it extended? Who was in it? Whether the others we claimed as partners accepted that role was always uncertain, indeed unknowable. With Bogor, however, Australians can say for the first time that the region around us is truly our region. We know its shape, we have an agreed constitutional structure, we share with its other members our common agenda for change. Historical turning points like this are rare, Mr. Speaker, and like phantoms they're seen more often than they are found to exist. But I am certain that the Bogor meeting will be seen as such a turning point, as a beginning of the Pacific Century.

[Dobell] Mr. Keating told Parliament that the central element in the Bogor Declaration was the commitment to free trade and investment in the region by 2010 for industrialized countries and 2020 for developing countries. The prime minister said that engaged both the United States and East Asia in a common framework and would help prevent the specter of a world divided into three hostile trade blocs—Europe, Asia, and America. Mr. Keating said the next APEC summit in Osaka in 12 months' time would deal with the complex question of how that free trade framework would be created and whether the European Union would get the same benefits as APEC members:

[Keating] We have a long way to go before free trade is implemented in APEC. Much detailed work remains to be done before we get an agreed plan of action for our meeting in Osaka next year. No doubt there'll be difficult negotiations and hard talk as we chart the way forward. Complex issues will need to be addressed, including modalities, coverage, and whether the benefits will be extended on a most favored nation basis. It may be that I think we need to approach these issues in quite a different way from past trade negotiations. As contrary to the belief of some commentators, I don't think that these next steps would be the most difficult part; perhaps the most complicated, perhaps the most time-consuming, but not the hardest. That part was getting the political commitment to a free trade goal for all APEC economies made by the 18 leaders at Bogor.

[Dobell] But for Australia's parliamentary opposition the central issue is whether the principle of open regionalism will be maintained; that most favored nation trade will be used for APEC and non-APEC economies. Taking that nondiscriminatory stand, the opposition leader, Alexander Downer, said it was up to Mr. Keating to clarify some fundamental issues:

[Downer] He has given no concept of how the APEC free trade commitment will be implemented. Does that mean zero tariffs in all Australian industries, including the car industry and textiles, clothing, and footwear? Does it provide perpetual exemptions in particular industries? Does it cover all trade or only trade in goods? Does it mean, for example, that there will be free trade between China, Japan, and the United States by 2020? Does this guarantee the end of nontariff barriers to imports into Japan? Does it mean an end to American agricultural subsidies? How are developed and nondeveloped countries defined for the purposes of the zero tariff timetable? What happens in the transitional period between 2010 and 2020 when Australia and other developed APEC countries have no tariff or nontariff barriers and when such barriers are still maintained by the nondeveloped countries of APEC? Is the timetable binding on all parties? [end recording]

East Timorese Demonstrators Arrested in Darwin

BK0712075694 Melbourne Radio Australia in English 0500 GMT 7 Dec 94

[FBIS Transcribed Text] At least Six East Timorese supporters have been arrested during a sit-in at the Indonesian Consul in Darwin. Faith Carter reports that the demonstration was to mark the 19th anniversary of Indonesia's invasion of East Timor in 1975.

[Begin Carter recording] Protesters stormed the front yard of the residence of the Indonesian Consul and chained the gate so no one could enter or leave the area. Crosses were placed on the front lawn to remember those who have died since the Indonesian occupation of East Timor. One demonstrator climbed the roof of the residence to display a—Free East Timor—banner. Police were called and the protester was dragged from the roof with a bleeding face. Police warned the group they would be arrested for trespass if they refuse to leave the premises. A number refused and at least six people were arrested. [end recording]

Net Foreign Debt Decreases 1.5% for Quarter

BK0112135494 Melbourne Radio Australia in English 0500 GMT 1 Dec 94

[All figures in Australian dollars]

[FBIS Transcribed Text] Australia's net foreign debt fell 1.5 percent in the last quarter. As Adrian Thyrst reports, it is the fourth consecutive quarter to report a fall:

[Begin Thyrst recording] As at the end of the September quarter, Australian businesses and government owed just over $160 billion to overseas creditors. That is a drop of $2.5 billion, or 1.5 percent. The further improvement has been achieved mainly through an increase in the amount of money Australian interests are lending offshore—up $2 billion. The result has brought down the ratio of net debt to GDP to 36.9 percent. At the same time, foreigners have continued to increase their equity stake Australian companies, and that equity has risen more than $5 billion in the quarter to $75 billion. [end recording]

Vanuatu

Exports Down in 1994; Growth 'Robust' for 1993

BK0712075194 Hong Kong AFP in English 0737 GMT 7 Dec 94

[FBIS Transcribed Text] Port Vila, Dec 7 (AFP)—Vanuatu's latest economic data revealed Wednesday a sharp drop in exports due mainly to the government's ban on logging shipments imposed last June. However, official indicators released by the Statistical Office showed robust growth in the island republic's overall economy during 1993.

Overall gross domestic product (GDP) rose four percent from 12.4 billion vatu (108 million dollars) in 1992 to 12.8 billion vatu in 1993, the increase attributed mainly to growth in agriculture and construction sectors. However the services sector still remained the major sector for Vanuatu, contributing 65 percent of total GDP. The data showed domestic exports—exports minus re-exports—fell almost four percent from 626 million vatu (5.5 million dollars) in the second quarter to 603 million vatu in the third quarter of this year, according to data released by the office. The decrease was mainly due to the drop in exports receipts from sawn timber, which decreased by 60 percent from 115 million vatu (around one million US dollars) to 47 million vatu (410,000 US dollars), the office said.

Last June, the Vanuatu Government imposed a total ban on the export of whole logs, in a move to stop excessive logging by Malaysian company Parklane on the tiny, timber-rich island of Erromango, where some 10,000 cubic meters (350,000 cubic feet) of timber lies felled. Reduced exports of beef and shells also contributed, beef falling 11 percent and shells by 60 percent, the data showed. However, copra exports held up, still accounting for 50 percent of the total. Exports to Bangladesh accounted for 34 percent of the total domestic exports, European Union countries 27 percent, Japan 19 percent and Australia six percent.

Imports were not detailed in the data.

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